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FILE No.

61/794

PART No.

RETAIN PERMANENTLY

DISPOSAL
AUTHORITY

1/1/04

DISPOSAL
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PRIME MINISTER'S DEPARTMENT.

CLASSIFICATION.

TOP SECRET

GREATER MALAYSIA - POLICY -

RELATED PAPERS

DESCRIPTION	FILE NO.	DESCRIPTION	FILE NO.
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INDONESIA TO DEFENCE			
ADMINISTRATIVE TRAINING CENTRE 10 SE H	61/687		

Referred to.	Clearing Officer's Initials.	Date Cleared.	Folio No.	Referred to.	Clearing Officer's Initials.	Date Cleared.	Folio No.	Referred to.	Clearing Officer's Initials.	Date Cleared.
Mr. Griffiths 15/11	D	6/11								
F/H	6/11									
Mr. Griffiths	D									
F/H	6/11									
Mr. Griffiths	D									
F/H	6/11									

TELEGRAM

British High Commissioner, Kuala Lumpur
From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: 1600 hours 27th October, 1961

Received: 0815 hours 28th October, 1961

ROUTINE

TELEGRAM NO. 61

Addressed Secretary of State for Commonwealth Relations 831,
Repeated Commissioner General Singapore 204, United Kingdom
Commissioner Singapore 106, Governors Brawak 42 Saving North
Borneo 42 Saving, High Commissioner Brunei 31 Saving, British
High Commissioners Wellington 56, Canberra 61, British Ambassador
Washington Saving 151M (Commonwealth Relations Office please
pass Washington)

MALAYSIA

Reuter message from Saigon 26th October included
following.

2. Asked if in event of possible SEATO intervention in
Vietnam, Malaya would take part, Tunku said "these formal pacts
and alliances are a farce and useless. Why should everything
have to be written down. Sympathy and trust are much better
than formal agreements".
3. On merger between Malaya and Singapore Tunku said
there would be no problem if politicians in Singapore had not
been given too much rope. British in Singapore have not been
firm enough, they have wanted to please everyone and politicians
and trade union leaders have been allowed to do what they want.
Because of this and because Government in Singapore is now
powerless to do anything in this matter people are looking to
Federation. I do not know what we can do but time has come
to do something.
4. Foregoing appeared in press here today.

HIGH COMMISSIONER

SECRET

MEH

I. 25792

Sent: 25th October, 1961
2000

FROM:

Recd: 26th October, 1961
0350

Australian High Commission,
KUALA LUMPUR

030

SECRET

REPEATED SINGAPORE 20, LONDON 11, BANGKOK SAVINGRAM
GREATER MALAYSIA

Our Tel 318.

In discussion on London talks, United Kingdom High Commission, Tory, said today that he believed the United Kingdom Government would virtually meet the Tunkus position on the Borneo Territories. Colonial Office now agreed in principle despite resolution of Colonial Governors on "crash programme" to prepare for elections in North Borneo, and Sarawak to produce legislative Councils with elected majorities which could be consulted, and which would presumably agree to join the Federation.

2. On future use of Singapore base, Tory said he had recommended to London that United Kingdom should reconcile itself to agreeing at London talks to extension of Defense/ agreement to cover Singapore and press for both secret exchange of letters on use for other than Commonwealth Defence and for exclusion of Labuan from transfer of Borneo.

3. Despite Tunku's recent public statements and his view that political objections to association with S.E.A.T.O. a reinsurmountable, Tory believes that while we could not (not expect unrestricted use of base after merger the Tunku is now more aware of the degree to which Malayan security depends on holding Vietnam and Thailand. He would therefore probably respond to proposal for secret exchange of letters in which the Federation would undertake not to withhold consent to the use of base for operations in the case of communist threat to North of Malaya (south would be excluded because of Indonesia).

4. On Labuan, Tory considers the Tunku and Razak might well react favourably to its detachment, but decision would be influenced by possibility of adverse publicity linking it with S.E.A.T.O. and possibly by attitude of local inhabitants.

5. ^{by phone} Tory said that there had been some further confusion over dates of visit/ crossing of wires, but it now seemed that the Tunku would arrive here about 16th and that talks would commence in London on 20th as MacMillan had agreed to later date. Tory said that he would attend talks also.

6. Details by bag.

...2/..

SECRET

TELEGRAM

From: THE BRITISH HIGH COMMISSIONER, KUALA LUMPUR
To: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

CYPHER
POL.29/6

Despatched: 1935 hours 24th October, 1961
Received: 0800 hours 25th October, 1961

ROUTINE

TELEGRAM NO. 58 SECRET

Addressed Secretary of State for Commonwealth Relations 811,
repeated Commissioner General Singapore 208, United Kingdom
Commissioner Singapore 104, (Commonwealth Relations Office please
pass to both), British High Commissioners Canberra 58, Wellington
53 and Saving to Governors North Borneo 10 and Sarawak 10 and
High Commissioner Brunei 10.

United Kingdom Commissioner's Singapore telegram 173 to
Colonial Office.

GREATER MALAYSIA

As agreed with Moore I discussed Lee's difficulty with
Tunku and secured his agreement to allow Lee Kuan Yew to put
his referendum in the form of two questions. The Tunku promised
not to say that the second alternative (this is complete merger)
was a non-starter before referendum was held. I warned Moore
however that I feared Tunku might be persuaded by his colleagues
to change his mind again and that it would be well for Lee to
clinch matter with Tunku himself.

2. Both Razak and Ghazali told me yesterday they were strongly
against letting Lee include the alternative of complete merger
in his referendum because they feel it would put Malaya in an
impossible position if a vote were for this alternative. It was
quite impossible for Malaya to contemplate complete merger with
Singapore and it was fundamental to their agreement to merger
at all that it should be in the Ulster form. If a vote were in
favour of complete merger the Federation would be put in the
position of having to go against the democratically expressed
wishes of the people of Singapore. They agreed Lee would enjoy
some tactical advantage if the game were played this way but

/only

SECRET

SECRET

TELEGRAM

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched:

Received:

- 2 -

only as usual at the Federation Government's expense. In any event they thought it was tactically wrong from Lee's old point of view to "dangle" the possibility of complete merger before people's noses. A lot of people would be tempted to vote for this who would otherwise vote for the Tunku's ^f form of merger if this were known to be the only possibility. They said they would try to get the Tunku to take this line with Lee. I have learned this morning that the Tunku did in fact speak to Lee on these lines last night, that Lee was impressed by the Malayan arguments and said he would go back and discuss the question again with his colleagues in Singapore.

3. Present situation therefore according to Malaysians is that Lee has inclined after all to put forward only the Tunku's form of merger in his referendum.

HIGH COMMISSIONER

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Despatched:

Received:

- 2 -

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HIGH COMMISSIONER

SECRET

SECRET

TELEGRAM

CIPHER. POL. 29/6

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS

To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: 2034 hours 21st October, 1961.

Received: 0700 hours 23rd October, 1961.

ROUTINE.

TELEGRAM NO. 2438 SECRET

To British High Commissioners Canberra 2438, Wellington 1715,

Following is text of United Kingdom Commissioner Singapore telegram to Colonial Office 443 of 20th October, repeated to Kuala Lumpur 173, Wellington (for Lord Selkirk) Canberra, North Borneo, Sarawak and Brunei as M. 408.

BEGINS.

Following from Moore in Lord Selkirk's absence.

GREATER MALAYSIA.

When I was in Kuala Lumpur yesterday Lee Kuan Yew telephoned me from the Cameron Highlands where he had gone following his weekend with the Tunku at Penang.

2. Lee said he had had discussions with the Tunku over the weekend about his merger paper and although the Tunku had not read the paper in detail they had reached full agreement on all main points. Lee was expecting Razak, Ismail and Ghazali to come up to the Camerons for detailed discussion of the paper this weekend and he then hoped to go down to Kuala Lumpur some time next week for a further discussion with the Tunku on his return from Saigon. Lee would then return to Singapore and go ahead with publishing the merger paper in time for the meeting of the Assembly on 31st October.

3. Lee had not however yet been able to persuade the Tunku to agree to the Singapore Referendum on merger being put in the form of "do you want merger as agreed by the P.A.P. with the Tunku or do you want full merger?". Lee still considers it most important that he should be able to hold the Referendum in this form and he asked me whether we could help to persuade the Tunku to agree to this.

RR Knight

SECRET

SECRET

TELEGRAM

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched:

Received:

2.

4. I have set out this problem in some detail in my letter to Wallace of 18th October and I had in fact gone to Kuala Lumpur to ask Sir Geoffroy Tory if he could help Lee in bringing the Tunku round on this point. I fully realise the Tunku's difficulties but there is a real risk that Lee Kuan Yew may lose the Referendum if he puts the question in the simple form of "do you want merger as agreed in the P.A.P. with the Tunku yes or no". Such a defeat would not only put paid to all prospects of merger for the time being but could well also lead to the downfall of Lee Kuan Yew.

5. I told Lee I was already consulting with Sir Geoffroy Tory on whether we could be of any assistance. He said he hoped we would bring home to the Tunku the urgency of the problem and he added that if he was not able to put the Referendum in this form he might well have to defer it for the time being.

ENDS.

SECRETARY OF STATE.

SECRET



OFFICE OF THE BRITISH
HIGH COMMISSIONER,
SECRET
CANBERRA.

POL. 29/6.

20th October, 1961.



SECRET

Dear Alan,

... I enclose copies of two telegrams Nos. 427 and 428 which we have received, by bag, from the British Commission in Singapore reporting statements by Lee Kuan Yew and Ong Kee Hui on 11th October. I also enclose copies of New York telegram to the Foreign Office No. 1690 containing an extract from a speech in the General Debate in the United Nations by Dato Kamil, on 10th October. You may like to have the following summary of some further information which we have received about Mr. Lee Kuan Yew's intentions, by the same bag.

2. On 10th October Lee Kuan Yew was given the gist of the Tunku's message to Mr. Macmillan (enclosed with Mr. Costar's letter of 13th October) and given the latest position about the date of the Tunku's visit to Britain. Lee was very relieved to hear that the Tunku would be going to London and hoped it would be before the end of October. He also expressed particular satisfaction that the late Colonial Secretary had been able to talk in such encouraging terms to Dato Mustapha and Donald Stephens about Malaysia.

3. Lee is now making his plans to meet the Assembly at the end of the month and to hold the referendum but he says that the merger working party of officials from the Federation and Singapore has got hopelessly bogged down in the absence of any clear political directive from Federation Ministers. He therefore intended to go to Kuala Lumpur on 12th October and thence to Penang where he hoped to spend the weekend with the Tunku working out a White Paper which he could present to the Singapore Assembly as an agreed document between the two Prime Ministers; the details will be left to be filled in by the working party over a much longer period.

4. Lee was asked what he thought would be the reactions of the Barisan Socialis and Lim Chin Siong as the pace quickened over the next few weeks. It was suggested to him that there were indications that Lim Chin Siong would deliberately eschew violence and hope to overthrow the P.A.P. later at a general election. Lee said he was still uncertain about this but he regarded it as very much on the cards that the Barisan Socialis might stage riots in protest against the P.A.P.

/merger

A.T. Griffith, Esq.,
Prime Minister's Department,
CANBERRA, A.C.T.

3 NOV 1961

Copy Defence

1-11.61

SECRET



SECRET

-2-

merger proposals both before and after the referendum. In this general context Lee suggested that pending the actual implementation of merger the Tunku and the British Government might agree to transitional positions under which the Federation would take over responsibility for internal security in Singapore at an early date. He made it clear he was still very reluctant to take action himself against Lim Chin Siong even after a successful referendum and he intended to write to Lim offering him a scholarship abroad if he would go quietly.

5. I am sending a copy of this letter and enclosures to Bob Hamilton in External Affairs.

Yours sincerely,
John A. Molyneux

(J.A. MOLYNEUX)

SECRET

C O P Y

UNITED KINGDOM COMMISSIONER
SINGAPORE

UNCLASSIFIED TELEGRAM NO. _____

From UNITED KINGDOM COMMISSIONER SINGAPORE
To SECRETARY OF STATE FOR THE COLONIES - 427
Reptd. to BY AIR MAIL: U.K. HIGH COMMISSIONER KUALA LUMPUR -161
SARAWAK
NORTH BORNEO } M399
BRUNEI }
WELLINGTON & CANBERRA }

Dated 12. 10. 61

EN CLAIR Recvd. PRIORITY

Despd. 12. 10. 61 (1500 hrs.)

Lee Kuan Yew said at press conference yesterday, at which British T.V. correspondents were present, that the question of the British bases after merger was one for the Tengku. From the Singapore point of view "we would like to see for the next ten, fifteen, or twenty years the bases slowly run down, if they are going to be abandoned. We don't want to be faced, like Hong Kong, where all of a sudden, they closed down the Naval Base and thousands were out of their jobs". Because of what the British had done to Singapore about 20% of the economy was based on expenditure for military bases and personnel. "If we don't have that rundown, I shall have straightaway 40,000 unemployed on the Social Welfare relief payroll. We don't want that. At the same time, I don't want merger to fail because the British refuse to give up their bases. The Tengku is a reasonable man and the British will have to meet him on certain fundamental points because he has got his problems. He is not a member of SEATO but he is a Commonwealth member. The little bit of fuss we made over the bases was because we wanted the British to get on with the Tengku. If they start talking and take a reasonable line, I am fairly confident they can arrive at proper treaty rights for the bases".

2. Other questions put to Lee were about his broadcast talks on communist penetration in Singapore. He said that if forced to do so he would prove the existence of the communist emissary whom he had called "the Plen". He discounted the denials by Lim Chin Siong that he was a communist and challenged him to a radio debate.

3. Lee was also asked whether he thought recent strikes arising from trade union rivalry would influence firms to move elsewhere and thus harm the economic position. He said this was a transitional situation equilibrium would come and no business or industrial employer need fear that they would suffer in the long term.

4. On merger, he said that the communists opposed it because the balance of power would rest with the eleven states of the Federation who were clearly anti-communist in their policy.

..... He said

UNCLASSIFIED

-2-

He said that he believed the communists would try to play it constitutionally at first - issuing statements, passing resolutions, calling for general election, etc., - and at the same time try to stir up a little industrial agitation in quarters where communist instigation is not usually suspected. If action on these lines was not sufficient they would try to unsettle the Chinese and Indian communities by telling them they would lose their citizenship rights, etc., under merger. In the last resort they would revert to mass demonstrations and protest meetings but "those in authority who will have to look after the safety and livelihood of the people of Singapore, have made necessary precautions against all eventualities".

5. Merger of Singapore presented a number of problems that had not arisen in the case of states like Penang but "the Tunku is a realistic man, so is Tun Razak. We can sort out these things".

.....

Distribution: Commissioner General's Office (6)
C. in C. F.E.S.
C. in C. F.A.R.E.L.F.
C. in C. F.E.A.F.
G.O.C.
File.

UNCLASSIFIED.

C O P Y

UNITED KINGDOM COMMISSIONER

SINGAPORE

UNCLASSIFIED TELEGRAM NO. _____

From United Kingdom Commissioner Singapore
To Secretary of State for the Colonies - 428
Reptd. to UNITED KINGDOM HIGH COMMISSIONER KUALA LUMPUR - 162
GOVERNORS NORTH BORNEO AND SARAWAK }
HIGH COMMISSIONER BRUNEI } M400
U.K. HIGH COMMISSIONERS CANBERRA AND WELLINGTON (by bag)

Dated 12. 10. 61

EN CLAIR

Recvd.

Despd. 12. 10. 61 (1545 hrs)

GREATER MALAYSIA

Ong Kee Hui said at Singapore Airport before leaving for Kuching yesterday that most people supported the concept of Malaysia and differed only on the form it should take. The people of Sarawak and North Borneo would demand safeguards on such subjects as migration, Borneoisation of the Civil Service, education, citizenship and land tenure. The prerequisite for Malaysia was the possession by each Borneo territory of a responsible and truly representative Government which could enter Malaysia as an equal partner. He thought the British Government accepted this because of its announcement that Sarawak would have adult universal suffrage and a ministerial form of Government by 1963. The Communists would cease to be a threat to the realisation of Malaysia if their power in Singapore was smashed.

.....

Distribution:- Commissioner General's Office (6)
C. in C. FES
C. in C. FARELF
C. in C. FEAF
G.O.C.
File.

FROM NEW YORK TO FOREIGN OFFICE
(United Kingdom Mission to the United Nations)

En Clair

TRUSTEESHIP DISTRIBUTION

Sir P. Dean.

No. 1690
October 12, 1961

D: 5.46 p.m. October 12, 1961
R: 6.30 p.m. October 12, 1961

BUILD

Addressed to Foreign Office telegram No. 1690 of October 12.

Repeated for information to: UKHC Kuala Lumpur
Commissioner General Singapore

Following is extract from Speech in General Debate on
October 10 by Dato Kamil:

For many decades the eleven States now comprising the Federation of Malaya, and our sister territory Singapore, an island located at the southernmost tip of the Malay Peninsula, and Sarawak, Brunei and North Borneo, all located on the Island of Borneo, have been under British colonial administration. Through negotiation and liberal understanding of the United Kingdom Government, as well as through the statesmanship of our leaders and the enthusiastic nationalism of our people, the eleven States of the Federation of Malaya have succeeded in achieving independence ahead of the other States.

We now feel that it is as much our responsibility as it is the United Kingdom's to help in bringing about a speedier end of colonial rule in these territories. In this connexion the proposal for the Federation of Malaysia, we believe, can provide the frame-work within which this peaceful transition can be achieved. What is envisaged in this proposal is that the territories of Singapore, Sarawak, Brunei and North Borneo, as well as the eleven States now forming the Federation of Malaya, will each and every one come together as equal constituent partners in the Federation of Malaysia. They will owe a common allegiance to the one Motherland and jointly work out its future destiny.

Foreign Office please pass to UKHC Kuala Lumpur and
Commissioner General Singapore as my telegrams Nos. 16 and 32.

(Repeated as requested.)

(Copy sent to Telegraph Section C.R.O. for repetition to
Kuala Lumpur.)

4444

FROM NEW YORK TO FOREIGN OFFICE
(United Kingdom Mission to the United Nations)

En Clair

TRUSTEESHIP DISTRIBUTION

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4444

SECRET

CYPHER.

POL. 29/6

TELEGRAM

BRITISH HIGH COMMISSIONER, KUALA LUMPUR.

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS

To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: 2055 hours 20th October, 1961.

Received: 0800 hours 21st October, 1961.

Rum

ROUTINE.

TELEGRAM NO. 56.

SECRET

Addressed Secretary of State 800, repeated British High Commissioners Canberra 56, Wellington 52, Commissioner General Singapore 199 (C.E.O. please pass Commissioner General) Your telegram 1551.

GREATER MALAYSIA.

I spoke to Tunku about this today broadly on lines of your telegram saying Minister had been rather dismayed at inclusion in his speech of details of confidential exchanges and stressing embarrassment caused to us by consequent public discussion and speculation. I said we were coming under pressure in Parliament and from friends and allies to explain what we were up to with Tunku as regards base and it was awkward for us to avoid adopting positions which would hamper us in arriving at practical solution. What we wanted was to play down question of base and we hoped that now Tunku had got over his major political hurdle he could take line that he had nothing to add until after Talks in London. I stressed particularly need to do this when tackled by press immediately before London Talks.

2. I asked Tunku whether he would be able to avoid going into detail at forthcoming U.M.N.O. Assembly on 4th November at which he hopes to get Mandate for Malaysia from his Malays. He assured me that it would not be necessary on that occasion for him to say anything much about defence aspects. It will of course be necessary for him to say something about the Borneo territories in order to reassure Malays that Singapore Chinese will be counter-balanced.

/3

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TELEGRAM

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched:
Received: 2.

3. On Borneo territories too I put it to him that the less said from now on the better in the interests of getting the solution we wanted.

4. In general I said we were anxious to minimise publicity before talks with idea that two Prime Ministers should concert policy on this.

5. Tunku said it had been necessary for him to go into some detail in order to carry Parliament with him, but he took our point and I think he will try to be more discreet from now on.

HIGH COMMISSIONER.

SECRET

SECRET

TELEGRAM

CIPHER. POL. 29/6

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: 2034 hours 21st October, 1961.
Received: 0700 hours 23rd October, 1961.

ROUTINE.

TELEGRAM NO. 2438 SECRET

To British High Commissioners Canberra 2438, Wellington 1715,

Following is text of United Kingdom Commissioner
Singapore telegram to Colonial Office 443 of 20th October,
repeated to Kuala Lumpur 173, Wellington (for Lord Selkirk)
Canberra, North Borneo, Sarawak and Brunei as M. 408.

BEGINS.

Following from Moore in Lord Selkirk's absence.

GREATER MALAYSIA.

When I was in Kuala Lumpur yesterday Lee Kuan Yew
telephoned me from the Cameron Highlands where he had gone
following his weekend with the Tunku at Penang.

2. Lee said he had long discussions with the Tunku over
the weekend about his merger paper and although the Tunku had
not read the paper in detail they had reached full agreement
on all main points. Lee was expecting Razak, Ismail and Ghazali
to come up to the Camerons for detailed discussion of the paper
this weekend and he then hoped to go down to Kuala Lumpur some
time next week for a further discussion with the Tunku on his
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ahead with publishing the merger paper in time for the meeting
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Tunku to agree to the Singapore Referendum on merger being put
in the form of "do you want merger as agreed by the P.A.P. with
the Tunku or do you want full merger?". Lee still considers
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the Tunku to agree to this.

/4

SECRET

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To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched:

Received:

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ENDS.

SECRETARY OF STATE.

SECRET

CONFIDENTIAL

INWARD CABLEGRAM

PK.

I.25313

AM

Sent: 19th October, 1961
1800Recd: 20th October, 1961
0700

FROM:

Australian High Commission,
KARACHI.318. CONFIDENTIAL.

Repeated Singapore 19, London 10, Bangkok savingram.
Greater Malaysia. Our Telegram 314.

Minister of Commerce and Industry said confidentially last night that the Tunku had just decided to postpone his visit to London until the 16th November and asked the Minister for Defence Razak to join him there two days later when Colombo Plan Ministerial Meeting which he will chair is over.

2. Reason for postponement is presumably that Malaysians want more time to work out position on Defence aspects of use of Singapore base after merger. While they are publicly committed to avoid linking Malaya with S.E.A.T.O. in any way, they are apparently now showing more understanding of British Defence commitments to S.E.A.T.O. allies involving possible use of Singapore base after merger. They are worried by the situation in Vietnam and privately acknowledge present value of S.E.A.T.O. to them and would like to find some compromise if possible on future use of the base.

3. The Tunku also now wants both to have the benefit of Razak's assistance in London and to adhere to the earlier plan of opening personally the Colombo Plan Ministerial meeting here, both of which the later visit would make possible.

4. United Kingdom High Commission says it believes this is probably true but they have yet to confirm with the Tunku and if so clear with London.

MIN & DEPT E.A.
MIN & DEPT DEFENCE
J.I.C.
P.M.'s.

20th October, 1961

CONFIDENTIAL

Copy to



SECRET

OFFICE OF THE HIGH COMMISSIONER
FOR THE UNITED KINGDOM
CANBERRA

FOL.29/6

19th October, 1961



Dear Mr. Griffith,

In our letter of 4th October about
Greater Malaysia, we promised to send you a
copy of the Tunku's message of 28th September
to Mr. Macmillan, as soon as it reached us.

... Here are three copies.

*Yours sincerely,
J.A. Molyneux*

J.A. MOLYNEUX

A.T. Griffith, Esq.,
Prime Minister's Department,
CANBERRA A.C.T.

19.10.61
19.10.61
19.10.61
SECRET

SECRET

GREATER MALAYSIA
TEXT OF TUNKU'S MESSAGE TO MR. MACMILLAN DATED
28th SEPTEMBER, 1961

My dear Prime Minister,

Thank you for your message of the 23rd September in which you conveyed the wish that we might meet on 23rd of October, 1961.

I observed from your message that you would need time to study the implications of the Malaysia Plan before you could give a decision on the matter.

I would like to say once again that our concept of Malaysia implies the integration of the three Borneo Territories on the same basis as the other existing States of the Federation of Malaya while Singapore may be merged with certain powers reserved for the State in matters of Education and Labour. The integration of the Borneo Territories with the Federation should be agreed now and take effect before or at least simultaneously with Singapore.

The main issue and in fact the only issue, therefore, is whether the British Government would be ready to relinquish their sovereignty over the Borneo Territories before or at least simultaneously with Singapore in favour of Malaysia. Any preliminary discussion between us would serve no useful purpose unless this issue is first settled. From my conversation with Sir Geoffrey Tory I had obtained the impression that the British Government would not be able to decide until they are certain that they can get a whole-hearted support from Parliament and the people of Borneo Territories.

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- 2 -

I hope it is appreciated that as far as my Government is concerned the main reason for the merger of the Borneo Territories is to prevent Singapore from falling into the hands of the Communists which we are sure would happen if she were to be given independence. With the exception of the Communist elements and their proxies all Singapore politicians realise that in such an event disaster would follow which will affect the rest of South East Asia.

I have emphasised that my Government would not be able to carry the idea of merger of Singapore unless the Borneo Territories are merged with the Federation as well. Frankly, if we are prone to think in terms of balances even the Borneo Territories would not be an adequate compensation for our trouble in the event of a merger with Singapore.

Perhaps I should venture to propose that it would be best, if you have a little time after some of the more serious of the world crises had blown over, to visit those Territories and this part in order that you may gather a first hand information. If it is not possible for you to come here then I would suggest that Mr. Lee Kuan Yew and the present leaders or representatives of the Borneo Territories be invited to London for a discussion with you. Your visit to this area or a meeting in London with the leaders of Singapore and Borneo Territories, I think, would materially assist you in arriving at your decision. Our meeting should take place only after you are in a position to give a firm commitment of the British Government in favour of Malaysia. The question of the Singapore base within

SECRET

/the

SECRET

- 3 -

the framework of the Mutual Defence Agreement, constitutional procedures and administration arrangements are matters which will naturally have to be sorted out once the position is clear regarding the future of these Territories, but these as I have said before are not insurmountable.

Mr. Lee Kuan Yew is worried about his position and the future of Singapore, but I am afraid I cannot help him much until I have received a firm answer from you about the transfer of the sovereignty over the Borneo Territories to the Federation.

Yours very sincerely,

Tunku Abdul Rahman Putra.

SECRET

18th October, 1961.

Dear High Commissioner,

... I am attaching a message from Mr. Menzies to Mr. Macmillan on the subject of Greater Malaysia. It is in reply to Mr. Macmillan's message of the 4th October. I would be glad if you could have it sent by telegram to Mr. Macmillan, and a copy of it given to the Australian High Commissioner in London.

Yours sincerely,

Sgd: (E. J. BUNTING)

(E. J. Bunting)
Secretary

His Excellency Lieut.-Gen. Sir William Oliver, K.C.B., G.B.E.,
High Commissioner for Great Britain,
Commonwealth Avenue,
CANBERRA, A.C.T.

SECRET

EJB/JWM

SECRET

Prime Minister,
Canberra.

MESSAGE FROM MR. MENZIES TO MR. TUNKU

Thank you for your message of 6th October telling me what you have said to the Tunku on the Greater Malaysia plan. I completely agree with your handling of the matter and am heartened that the Tunku will soon meet you in London.

2. I note in particular your emphasis on the free association with Malaya of the peoples of the Borneo territories. Any suggestion that the United Kingdom or the Malayan Government is prepared to allow other considerations to over-ride the principle of self-determination could, I believe, have the most damaging effects, most immediately in Borneo. These could prejudice the prospects of achieving the wider association and would in any case undermine its stability if it were forced. Consultation with the Borneo territories must, as your draft announcement states, precede any commitments in respect of transfer of sovereignty. I feel that your comments to the Tunku on this point were both prudent and timely.

2. No doubt the effect of Greater Malaysia on the Commonwealth Strategic Reserve's participation in SEATO exercises and operations will occupy a large place in your discussions with the Tunku. I look forward, therefore, to having an early indication, in as concrete terms as possible, of your proposed aims in negotiations on this subject and

SECRET 7/2..

- 2 -

SECRET

of the minimum conditions which you feel would be acceptable to the United Kingdom. For the reasons mentioned in my letter of 26th August to your High Commissioner, I should like time to consider and comment on your views on these aspects before any firm position is taken in the negotiations.

18th October, 1961.

SECRET

SECRET

DRAFT Message from Mr. Menzies to Mr. Macmillan

Thank you for your message of 4th October telling me what you have said to the Tunku on the Greater Malaysia plan. I completely agree with your handling of the matter and am heartened ~~by recent indications~~ that the Tunku will soon meet you in London.

*Exclude
copy 13
10*

I note in particular your emphasis on the free association with Malaya of the peoples of the Borneo territories. Any suggestion that the United Kingdom or the Malayan government is prepared to allow other considerations to override the principle of self-determination could, I believe, have the most damaging effects, most immediately in Borneo. These could prejudice the prospects of achieving the wider association and would in any case undermine its stability if it were formed. Consultation with ~~the peoples of~~ the Borneo territories must, as your draft announcement states, precede any commitments in respect of transfer of sovereignty. I feel that your comments to the Tunku on this point were both prudent and timely.

*This was better
he satisfied
now since
let agreed to
omit "peoples"
at Tunku's
request.*

No doubt the effect of Greater Malaysia on the Commonwealth Strategic Reserve's participation in SEATO exercises and operations will ~~loom large~~ ^{occupy a large place} in your discussions with the Tunku. ^{I look forward,} I should welcome, therefore, ^{to having} an early indication, in as concrete terms as possible, of your proposed aims in negotiations on this subject and of the minimum conditions which you feel would be acceptable to the United Kingdom. For the reasons mentioned in my letter of 28th August to your High Commissioner, I should like time to consider and comment on your views on these aspects before any firm position is taken in the negotiations.

*Received from Sir A. Tange -
approved by P.M.
for despatch -
8/10/1960*

SECRET

SECRET

INWARD CABLEGRAM

I.25209

AM

Sent: 18th October, 1961
1832

FROM:

Recd: 19th October, 1961
0445Australian High Commission,
LONDON.5035. SECRET.Repeated savingram Singapore, Kuala Lumpur,
Bangkok.

From External.

Malaysia.

The Cabinet Committee Report (which will be the brief for the discussions with the Tunku) is having the final touches put to it this week and will be put to Ministers early next week we hope to be able to let you have a general outline of it at the end of this week.

2. Meanwhile Nield has given us a short summary of its position on Borneo. The Colonial office is quite hopeful about the way things are developing in Borneo, particularly North Borneo where Dato Mustapha appears to have taken up a favourable stand. They believe that with Mustapha and Stevens in favour, it should be possible to make good progress. They are appalled, however, when they look at what has to be done particularly in the way of training administrators. With this in mind the immediate creation of a Staff College for Borneo will probably be recommended which, Nield insists, will have to be financed partly by Malaya as well as by additional funds from the United Kingdom.

3. The United Kingdom would like to be able to think in terms of a five year preparation period rather than June 1963 (Nield has never given any indication of knowing of the decision reported in Kuala Lumpur cable 293) but the colonial office recognises this will most likely prove impossible. They recognize the need for a "crash programme" at any rate. What they are likely to be recommending to the Tunku is the immediate creation of a commission (not to be preceded by the holding of any conference) to go to Borneo straightaway and look into all aspects of the problem of Borneo and Malaysia. They believe there is no real alternative other than the transfer of Sovereignty (legal advice appears to be swinging them against any condominium idea) although they remain nervous about possible reactions in Westminster to this. They consider however that if no other alternative than the incorporation of the territories as states of the Federation is feasible then some arrangement

SECRET

.../2

INWARD CABLEGRAM

I.25209

2.

should be made whereby British governors and other senior administrators could remain. They admit this would probably have to mean these officials being made responsible directly to Kuala Lumpur and not London but according to Nield they would accept this.

4. With reference to our cable 4861 we are sorry not to have been able to report so far on Defence aspects. We have been continuously in touch with the C.R.O. who are preparing something for us but they have not been ready apparently to get ahead of the Cabinet Committee. We are now promised a reply in the next few days. In today's "Times" there is a report of Press enquiries made yesterday at the Foreign Office on the question of the Singapore base. The Foreign Office spokesman is reported to have said: "The British Government have every intention of honouring their commitments to their S.E.A.T.O. allies and the need to continue to fulfil these obligations will be in the forefront in any discussions about the future of Singapore and other British territories in South-East Asia."

The report goes on: "It is true that Singapore plays an important part at present in enabling Britain to fulfil its obligations but it is becoming increasingly important as a staging point and depot with oiling facilities for shipping rather than as a base from which operations would be conducted."

5. We contacted the C.R.O. in some dudgeon about this. We have ascertained that the spokesman was responsible only for the first of the above quotations and that the second is a "Times" gloss. It need not necessarily be taken too seriously as an official straw in the wind for it reflects the line on overseas bases that the "Times" has been pushing in several feature articles on Defence policy over the last year.

MIN & DEPT E.A.
MIN & DEPT DEFENCE
J.I.C.
P.M.'s.

19th October, 1961

SECRET

17/10/61

REPS. E.5



MALAYA.

MR. DEAN.- In addressing a question to the Minister for External Affairs, I refer to the ~~xxx~~ forthcoming talks between the Prime Ministers of Great Britain and Malaya concerning the proposed merger of Singapore ~~xxxx~~ with the Federation of Malaya. I ask the Minister for External Affairs whether the Augn Govt will be kept informed of ^{the} progress of these talks. Further, is there any suggestion for the inclusion of the Borneo territories in the Federation of Malaya?

(END OF QUESTION)

MR. MENZIES.- I can assure the hon mem that we are kept very well informed on the progress of these talks. I am myself repeatedly in personal communication with Mr. Macmillan about them. We also, of course, have taken the opportunity of ~~xxxxxx~~ exchanging views with the ~~xxx~~ Tunku himself. So that I do not doubt that, whatever happens in London, we will be kept completely abreast of events.

MORE TO COME.

F follows EVEN

subject file for ref



17/10/61

REPS F 1

2.55/3.40

23/7

Mr. Menzies in continuation.

It is also quite clear that in further talks in London, reference will be made to Brunei, North Borneo and Sarawak because the incorporation of those territories in greater Malaysia is one of those things that has been in the mind of the Tunku himself and in the contemplation of other people from the beginning. I am able to say that these aspects of the matter will certainly be discussed in London, and therefore I expect to be kept well informed on all of them.

END OF ANSWER.

PRIME MINISTER'S DEPARTMENT

ATG:GG

61/794.

THE PRIME MINISTER:

This morning's news reports a statement by the Tunku on the question of Malaysia. I attach the text which was issued to the Press. We are, of course, not yet in a position to determine to what extent he stuck to this text.

You will note that on the question of bases he says - "To my mind the basis for discussion would firstly be the agreement and the use of the Singapore bases not for SEATO purposes". The United Kingdom High Commission here do not think that this is any more than a public political effort to retain the bases on the present understandings, which I understand have been the subject of a recent brief to you by the Department of External Affairs.

The Tunku's attitude on this whole matter requires the closest examination, as the Tunku's full position is by no means clear at this stage.

..... *A. T. Griffith*

(A.T. Griffith).
Acting Assistant Secretary

17th October, 1961.

SEEN BY PRIME MINISTER

TELEGRAM

FOL.29/6

THE BRITISH HIGH COMMISSIONER, KUALA LUMPUR
From: ~~THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS~~

To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: 2000 hours 16th October, 1961

Received: 0600 hours 17th October, 1961

ROUTINE

TELEGRAM NO. 54

Addressed Secretary of State for Commonwealth Relations 780,
repeated Commissioner-General 193, United Kingdom Commissioner
102, Governors Sarawak 36, North Borneo 36, High Commissioner
Brunei 29, British High Commissioners Wellington 50, Canberra
54, British Ambassador Washington 359M (C.R.O. please pass)

My immediately preceding telegram.

MALAYSIA

Following is conclusion of Tunku's speech 16th October
issued to press here.

BEGINS:

I will now deal with the concept of Malaysia in relation
to the British Government having decided on the plan for
Malaysia. Here our next move was to sound out the British
representatives in this region, the response was encouraging,
the British felt that it would provide for the political
stability of South East Asia and so I finally brought it up
with the British Prime Minister direct. I have therefore
forwarded the memorandum pertaining to this plan to the
Prime Minister himself, the reply received from the British
Prime Minister also encouraged me to carry on with the discussion
farther with the Prime Minister of Singapore. Britain, however,
would give the proposal with regard to the merger with
Singapore a close study, taking into account a number of
different aspects connected with merger in particular I feel
that they are most anxious about the question of the continued
use of the important base in Singapore as a SEATO base as
they were committed under the SEATO Treaty to provide a base
/in

TELEGRAM

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched:

Received:

- 2 -

in Singapore. Though the Prime Minister has not said as much particularly with the situation as it is in South East Asia they feel that there is an absolute necessity for Britain to maintain confidence in this part of the world and nothing should be done which might cast doubt on the British capabilities in this area. The British would not commit themselves on the Borneo Territories because according to them its question needs a lot of thinking about before the idea of finding an eventual political link-up with Malaya can be decided, but they recognised the fact that there are similarities both as to form of administration and finance and cultural characteristics obtaining in both the Territories of Borneo and the Federation. They did not want to be the sole arbiter in deciding the fate of the people of these Territories without having first consulted them. However, the British Prime Minister would welcome my visit to London to discuss the various aspects with him. According to him it would be a mistake to force the pace for such a development without the agreement of the Borneo people though the British have no doubt that such a merger with the Federation would be in the interests of the Borneo people themselves. From what I can see and from the exchange of correspondence between the British Prime Minister and myself he would welcome the idea of a merger by Singapore as soon as these Territories are ready but I still detected the note of anxiety over the Singapore base for he is a little hesitant on the idea of giving up their base for SEATO purposes. However, he appears to be willing to relieve Britain of her responsibility over Singapore except control over their bases, by allowing Singapore to merge
/with

TELEGRAM

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS

To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched:

- 3 -

Received:

with Malaya but would not be ready to part company with the Borneo Territories just yet. In the circumstances I felt that a talk would not bring fruitful results until Britain agreed on the basis for discussion and I told the British Prime Minister so. To my mind the basis for discussion would firstly be the agreement of the use of the Singapore base not for SEATO purposes. Secondly the transfer of the Sovereignty over the State of Singapore and the Borneo Territories to the Federation of Malaya to form the Federation of Malaysia. When these were (sic) agreed to I will (sic) proceed to England to discuss the question with the British Prime Minister. On the 3rd of October I received a message from the British Prime Minister in which he said that there is a wide measure of agreement between us on this plan of Malaysia in that the British Government would welcome and accept the concept of Malaysia which would incorporate the Federation of Malaya, Singapore and the three Borneo Territories and they agreed that the best future of the Borneo Territories would lie in close political association with the Federation and Singapore; that it would be necessary for me to go to London as early as possible to have a talk with him so that we could best work together in the attainment of this plan and it was suggested that in this way we could ensure that any mis-understandings which might arise from a long-range correspondence would be avoided. I have therefore decided to go to London on the 7th November but I feel ^{both} ~~loath~~ to do so without the support of this House, hence my motion.

ENDS.

HIGH COMMISSIONER

PRIME MINISTER'S DEPARTMENT

ATG:GG

SECRET

THE PRIME MINISTER:

Greater Malaysia

Mr. Macmillan has now agreed to meet the Tunku in London where talks on the Greater Malaysia Plan will commence on 9th November.

Mr. Macmillan wrote to you on the 4th October attaching a copy of a letter he had written to the Tunku and the draft of a public announcement which he had asked the Tunku to consider.

In his covering letter to you, Mr. Macmillan complained of the Tunku's inclination towards "crash tactics". In his reply to Mr. Macmillan's letter the Tunku has said - "I am sure you agree that we have to resort to the process of telescoping time by some crash programme but such bold steps will I am certain prove advantageous".

The Tunku insists, however, that no arrangement will be entered into without the Borneo territories.

You have minuted that you completely agree with Mr. Macmillan's handling of this matter. The attached draft reply to Mr. Macmillan gives support for the careful handling of the Borneo territories problem. Also it invites Mr. Macmillan to give you a reasonable indication of his views on the position of the Strategic Reserve under any new arrangement, so that you can give adequate consideration to the problem before the negotiations with the Tunku begin.

I attach -

- (a) A draft reply to Mr. Macmillan's letter of the 4th October. This reply has been recommended by the Department of External Affairs.
- (b) A letter from Mr. Costar to Mr. Bunting enclosing the text of the Tunku's reply to Mr. Macmillan.

.....*A. T. Griffith*.....

(A.T. Griffith).
Acting Assistant Secretary.

16th October, 1961.

SECRET

Plan for Greater Malaysia.

On 16th August, 1961, our Cabinet decided that its position on the political and economic association of Singapore, the Federation of Malaya and the Borneo Territories should be to accept the association in principle whilst avoiding any special initiative or advocacy one way or the other. It is difficult to find arguments which could urge a different position upon an Australian Government. The facts behind a complexity of developments are fairly remote and not easy to apprehend with sufficient clarity to produce a more definite position.

Immediately the concept envisages a new Federation with a population of 4.1 million Chinese out of a population of 9.7 million. This general figure does not sufficiently emphasise the fact that Singapore, with a population of 1.2 million Chinese out of a population of 1.6 million, will be brought into political association with States like ^{Perak}~~Kang~~ where Chinese outnumber Malays by 2 to 1; Perak, Selangor and Johore where the Chinese are a majority, whilst Negeri Sembelan is a State with almost a Chinese majority over Malays. ^{This means there is a line of Chinese dominated states running from Singapore as far north as Kelah.} The strength of Abdul Rahman's position is the fact that he is backed by a Chinese political movement which is not infected with the Singapore virus. It is the junction of these Chinese communities of the mainland and Singapore which produces unknown possibilities. Hence, much hinges on the genuineness of ^{Kuan Yew's}~~Lee Kuan Yew's~~ position and his ability to influence the Chinese and the Malayan Federation to resist the dominating influences of the Singapore Chinese.

The prevailing interpretation in Singapore is that ^{Kuan Yew}~~Lee Kuan Yew~~ has ^{been under}~~quite~~ pressures from the left and has risked everything for the merger between Singapore and Malaya. This, of course, conceives that there will be considerable disadvantages for the Communists in this merger. The Malayan security system will apply to the Communist Chinese in Singapore and in this event the undesirables ^{might be expected to}~~will~~ get rougher treatment. There is evidence that the idea for the merger was pressed from within Singapore by ^{Kuan Yew}~~Lee Kuan Yew~~ who put certain arguments to the Tunku and the scheme was floated as the Tunku's idea. There is some vagueness of the extent to which the

.. / 2

United Kingdom Government have resolved to make the pace, there are trends in Singapore suggesting that the extreme left would put ^{Kuan Yew} Lee ~~Kuan~~ out of business unless he pulls off something like this, therefore the argument is that things must move speedily. The extreme left ^{is} ~~are~~ said to be interested in a Cuba-type situation for Singapore, a communist island which could be a source of infection for the whole area. What this argument ^{ignores} ~~includes~~ is the fact that the British reserve power runs over Singapore and there is no chance of a Communist Government coming into being on this basis. There is some doubt therefore whether the Communists seriously believe in their Cuba-type propaganda as the opportunity to secure an influence with the Chinese of all of Malaya over the next few years which a political association would bring is one not to be sniffed at. As I say, much depends on the capacity of the Chinese in the mainland States to resist the sort of thuggish influences which have reduced Singapore politics to the position where the Communists ^{exercise} ~~have~~ a dominant political position. If this ^{by abandoning such action} ~~power~~ can be transferred to the Chinese of the mainland, the situation ^{is} ~~is~~ very grim, ^{as the alliance behind the Thinks would} ~~be~~ ^{readily become unstable} ~~be~~. Therefore, if the British proceed with this plan there will be a number of important checks that will have to be applied involving questions of citizenship, migration, etc. ^{to control} ~~to control~~ if the situation is not to produce upheaval.

*The peculiarly pervasive
Chinese association.*

Position of forces:

TELEGRAM

POL-23/6
LUMPUR

From: ~~THE BRITISH HIGH COMMISSIONER, KUALA LUMPUR~~
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: 2000 hours 16th October, 1961
Received: 0600 hours 17th October, 1961

ROUTINE

TELEGRAM NO. 54

Addressed Secretary of State for Commonwealth Relations 700,
repeated Commissioner-General 191, United Kingdom Commissioner
102, Governors Sarawak 36, North Borneo 36, High Commissioner
Brunei 29, British High Commissioner Wellington 90, Canberra
54, British Ambassador Washington 359H (C.R.O. please pass)
By immediately preceding telegram.

MALAYSIA

Following is conclusion of Tunku's speech 16th October
issued to press here.

EXCERPTS:

I will now deal with the concept of Malaysia in relation
to the British Government having decided on the plan for
Malaysia. Here our next move was to sound out the British
representatives in this region, the response was encouraging,
the British felt that it would provide for the political
stability of South East Asia and so I finally brought it up
with the British Prime Minister direct. I have therefore
forwarded the memorandum pertaining to this plan to the
Prime Minister himself, the reply received from the British
Prime Minister also encouraged me to carry on with the discussion
further with the Prime Minister of Singapore. Britain, however,
would give the proposal with regard to the merger with
Singapore a close study, taking into account a number of
different aspects connected with merger in particular I feel
that they are most anxious about the question of the continued
use of the important base in Singapore as a SEATO base as
they were committed under the SEATO Treaty to provide a base
/in

TELEGRAM

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched:

Received:

- 2 -

in Singapore though the Prime Minister has not said as much particularly with the situation as it is in South East Asia they feel that there is an absolute necessity for Britain to maintain confidence in this part of the world and nothing should be done which might cast doubt on the British capabilities in this area. The British would not commit themselves on the Borneo Territories because according to them its question needs a lot of thinking about before the idea of finding an eventual political link-up with Malaya can be decided, but they recognised the fact that there are similarities both as to form of administration and finance and cultural characteristics obtaining in both the Territories of Borneo and the Federation. They did not want to be the sole arbiter in deciding the fate of the people of these Territories without having first consulted them. However, the British Prime Minister would welcome my visit to London to discuss the various aspects with him. According to him it would be a mistake to force the pace for such a development without the agreement of the Borneo people though the British have no doubt that such a merger with the Federation would be in the interests of the Borneo people themselves. From what I can see and from the exchange of correspondence between the British Prime Minister and myself he would welcome the idea of a merger by Singapore as soon as these Territories are ready but I still detected the note of anxiety over the Singapore base for he is a little hesitant on the idea of giving up their base for SIAF purposes. However, he appears to be willing to relieve Britain of her responsibility over Singapore except control over their base, by allowing Singapore to merge /with

TELEGRAM

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: - 3 -
Received:

with Malaya but would not be ready to part company with the Borneo Territories just yet. In the circumstances I felt that a talk would not bring fruitful results until Britain agreed on the basis for discussion and I told the British Prime Minister so. To my mind the basis for discussion would firstly be the agreement of the use of the Singapore base not for SEATO purposes. Secondly the transfer of the Sovereignty over the State of Singapore and the Borneo Territories to the Federation of Malaya to form the Federation of Malaysia. When these were (sic) agreed to I will (sic) proceed to England to discuss the question with the British Prime Minister. On the 3rd of October I received a message from the British Prime Minister in which he said that there is a wide measure of agreement between us on this plan of Malaysia in that the British Government would welcome and accept the concept of Malaysia which would incorporate the Federation of Malaya, Singapore and the three Borneo Territories and they agreed that the best future of the Borneo Territories would lie in close political association with the Federation and Singapore; that it would be necessary for me to go to London as early as possible to have a talk with him so that we could best work together in the attainment of this plan and it was suggested that in this way we could ensure that any mis-understandings which might arise from a long-range correspondence would be avoided. I have therefore decided to go to London on the 7th November but I feel loath to do so without the support of this House, hence my action.

ENDS.

HIGH COMMISSIONER



SECRET

OFFICE OF THE HIGH COMMISSIONER
FOR THE UNITED KINGDOM
CANBERRA

POL.29/6

13th October, 1961

Dear Mr. Bunting,

We have been asked to let you have for the information
... of the Prime Minister the enclosed text of a message dated
7th October from the Tunku to Mr. Macmillan in reply to the
latter's message of 4th October about Greater Malaysia.
2. As you will see, the Tunku suggests two amendments to
the text of the draft announcement. The first of these
amendments, i.e. that relating to the third sentence of the
text, has been accepted. On the second amendment it has been
agreed with the Tunku that the last sentence of the draft
announcement should, as he wishes, be deleted, but that the
words "without which no commitment can be entered into" should
be added to the preceding sentence after "the Borneo territories".
... It may be convenient for you to have the enclosed text of the
announcement as now revised. We have just learned that it is
to be issued in London at 1200 hours (B.S.T.) on 13th October.
3. The Tunku has now indicated that he is unable to postpone
his visit to Diem and has proposed that he should go to London
for talks starting on 9th November.
4. We understand that Australia House have asked Commonwealth
Relations Office for the latest and fullest information about
British objectives in negotiations over the bases. This question
is being urgently examined.

Yours sincerely,

N.E. Costar
(N.E. COSTAR)

E.J. Bunting, Esq., C.B.E.,
Prime Minister's Department,
Canberra.

SECRET

SECRET

GREATER MALAYSIA

Text of a personal message dated 7th October
from the Tunku to Mr. Macmillan.

My dear Prime Minister,

Thank you for your personal message of 3rd October.

The constitutional position of the North Borneo territories in Malaysia outlined in that message would be on the same basis as the other existing States of the Federation of Malaya. It is of course envisaged that there will be transitional and other provisions to meet local requirements. The essential point is the transfer of British Sovereignty over North Borneo territories to Malaya for the Federation of Malaysia and this should be done before or at least simultaneously with the merger of Singapore.

I am deeply appreciative of the personal interest you have taken in what may be regarded as a matter for common endeavour. There are difficulties which we must resolve arising out of anxieties of people of these territories however this is nothing new as we had to go through all these difficulties ourselves before independence. Much of these fears can be removed if the advantages rather than the disadvantages could be emphasised and the British Government would unreservedly commend the proposal of Malaysia to the Borneo territories. Of course the ideal way would be to seek the opinions and views of responsible people there but as you have already acknowledged we do not have this much time at our disposal. I am sure you agree that we have to resort to the process of telescoping time by some crash programme. But such bold steps will I am certain prove advantageous.

As you are already aware we have to reckon with the

/fact

fact that the status of Singapore would be the subject of review in 1963. It cannot be ruled out that Mr. Lee Kuan Yew's government might not last that time and a general election might perhaps return a government not so well disposed towards the merger of Singapore with the Federation or vice versa. This therefore makes me feel that we cannot wait for 1963 but that Malaysia should be brought into being as early as reasonably convenient to both our governments. Hence my anxiety that there should be a firm commitment on the part of the British Government now in the belief that a delay might defeat our common objective. I have committed myself to visiting President Ngo Din Diem in Saigon from 20th - 26th October and until I can persuade President Ngo Din Diem to a postponement I cannot say if I can come to London on the date proposed. The situation in Vietnam is serious and getting more so every day and the President is most anxious to get my views on certain matters about which he considered I could be of help. I hope you will agree to an alternative date perhaps during the first week of November in case I am unable to have my visit to Vietnam postponed.

I am bringing a motion on the subject of Malaysia and Singapore merger in Parliament to seek support at the coming Session beginning on 16th October. You may already be aware that the Colombo Plan Conference will be held in Kuala Lumpur from 30th October to 18th November and I am hoping that I should have an opportunity to entertain the delegates while they are here.

I agree to the release of the text of your draft announcement subject of course to the possibility of the dates of the actual visit being altered as suggested above.

/However

However I would like to see a couple of amendments to the text. With reference to the third sentence of the draft text I would like to suggest the following be substituted "Her Majesty's Government have welcomed Tunku Abdul Rahman's constructive proposals which would bring the Federation of Malaya, Singapore, Brunei, North Borneo and Sarawak into close political and economic association". This would remove any ambiguity and thereby avoid misunderstanding and confusion in the public mind on how the matter stands between us. Partly more I would like to suggest that while I agree that the wishes of the local people should not be ignored the inclusion of your last sentence in the draft statement will over-emphasise the need for consultation with the people of the Borneo territories who are at this moment not sufficiently advanced in their political outlook to give an unbiased opinion of their own as they are very much under the influence of the British Colonial Administrators.

Yours very sincerely,

Tunku Abdul Rahman Putra.

SECRET

TEXT OF DRAFT ANNOUNCEMENT

It is announced from Admiralty House that Tunku Abdul Rahman, Prime Minister of the Federation of Malaya has accepted an invitation from the Prime Minister to come to London early in November for exploratory talks about the Tunku's suggestion for a closer future association between the Federation, Singapore, North Borneo, Brunei and Sarawak. These discussions will naturally take into account the proposals published recently in Singapore and Malaya for a merger of these two territories. Her Majesty's Government have welcomed Tunku Abdul Rahman's constructive proposals which would bring the Federation of Malaya, Singapore, Brunei, North Borneo and Sarawak into close political and economic association. Obviously this idea has great possibilities for the well-being of all the territories involved. The many important implications of such a far reaching scheme as well as its form and timing need careful consideration. The object of the discussions with Tunku Abdul Rahman is to reach an understanding with him on the broad issues and to prepare the way for consultation with the Borneo territories without which no commitment can be entered into.

SECRET



DEPARTMENT OF EXTERNAL AFFAIRS.
CANBERRA.

In reply quote No.

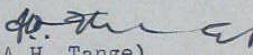
12th October, 1961.

Dear Mr. Bunting,

Thank you for your letter of 5th October
(61/794) attaching a message dated 4th October from
Mr. Macmillan to Mr. Menzies regarding Greater Malaysia.

I attach hereto a draft reply for the Prime
Minister's consideration.

Yours sincerely,


(A.H. Tange)
Secretary

E.J. Bunting, Esq., C.B.E.
Secretary,
Prime Minister's Department,
CANBERRA. A.C.T.

SECRET

SECRET

DRAFT Message from Mr. Menzies to Mr. Macmillan

Thank you for your message of 4th October telling me what you have said to the Tunku on the Greater Malaysia plan. I completely agree with your handling of the matter and am heartened by ^{the} recent ^{announcement} indications that the Tunku will ~~soon~~ meet you in London *early in November*

I note in particular your emphasis on the free association with Malaya of the peoples of the Borneo territories. Any suggestion that the United Kingdom or the Malayan government is prepared to allow other considerations to override the principle of self-determination could, I believe, have the most damaging effects, most immediately in Borneo. These could prejudice the prospects of achieving the wider association and would in any case undermine its stability if it were formed. Consultation with the peoples of the Borneo territories must, as your draft announcement states, precede any commitments in respect of transfer of sovereignty. I feel that your comments to the Tunku on this point were both prudent and timely.

No doubt the effect of Greater Malaysia on the Commonwealth Strategic Reserve's participation in SEATO exercises and operations will ^{occupy a large place} ~~loom large~~ in your discussions with the Tunku. I should welcome, therefore, an early indication, in as concrete terms as possible, of your proposed aims in negotiations on this subject and of the minimum conditions which you feel would be acceptable to the United Kingdom. For the reasons mentioned in my letter of 28th August to your High Commissioner, I should like time to consider and comment on your views on these aspects before any firm position is taken in the negotiations.

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM SECRET

:CM

I,24583

Dated: 11th October, 1961

1173

Rec'd: 12th October, 1961
0600

FROM:

Australian Embassy,
BANGKOK



544 SECRET

Singapore and Malaya.

Selkirk gave an account at today's Meeting of Council Representatives of recent developments in Singapore and concluded by emphasising the desirability of Union with Malaya. He spoke briefly on Malaya and touched in passing on possibility of a greater Malaysia Federation.

2. United States Representative endorsed desirability of a merger between Singapore and Malaya and said that he presumed that a "sensible answer" would be found regarding bases in Singapore. I said that we also were sympathetic with the political objective of merging Singapore in a wider community, but avoided comment on details. I made the point that Australia would have an obvious interest in satisfactory defence arrangements.

3. Before the meeting Selkirk indicated to me (as Chairman) that he would not wish to be questioned on the details of the greater Malaysia plan because he feared that any discussion might get back to the Malaysians.

Booker.

MIN & DEPT E.A.
MIN & DEPT DEFENCE
J.I.C.
P.M.'S.

12th October, 1961

SECRET

Copy A7.6

~~CONFIDENTIAL~~

INWARD CABLEGRAM

:EHB

I.24534

Date: 11th October, 1961
1145
Rec'd: 12th October, 1961
0830

FROM:

Australian High Commission,
KUALA LUMPUR.

301 CONFIDENTIAL

Repeated London 9, Singapore 16.

Malaysia.

Our telegram 294.

United Kingdom Deputy High Commissioner (Moynihan) told me that MacMillan had sent further message assuring Tunku of importance United Kingdom attached to Malaysia proposal endorsing it in principle and stressing importance of Tunku's visit to London.

2. Malayan reply sent at weekend had questioned wording of part of message relating to future of Borneo territories but Moynihan regarded this as matter of emphasis rather than principle. He considered visit would now definitely take place although date would probably be early November rather than 23rd October. The Tunku would spend about six days in London. It was also likely that Razak would accompany him but this would be settled on Razak's return from Japan this week.

3. "Straits Times" today quotes informed source of stating that the Tunku is now proposing to fly to London on the 6th or 7th November.

4. Moynihan said that in recent discussions with Tory the Malaysians had seemed more flexible in approach to question of use of Singapore base after merger. This was probably due to Tunku's present anxiety about situation in South Vietnam.

MIN & DEPT. E.A.
MIN & DEPT. DEFENCE
J.I.C.
P.M's

12th October, 1961

~~CONFIDENTIAL~~

COPY 456

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

..JS

I. 24248

Dated: 9th October, 1961.
1645

Recd: 10th October, 1961.
0445

FROM:

Australian High Commission,
KUALA LUMPUR.

297. UNCLASSIFIED.

Prime Minister told visiting B.B.C. correspondent
at weekend that -

- (a) House of Representatives would debate
merger October 16th;
- (b) He still had to settle "some political
questions" with United Kingdom before a
visit to London could be finalised and;
- (c) He would also visit Saigon probably at
the end of October provided it could be
co-ordinated with proposed London talks
on Malaysia.

MIN. & DEPT E.A.
MIN. & DEPT DEFENCE.
J.I.C.
P.M.'s.

10th October, 1961.

Carry k.H

SECRET

KHH:NH

61/794

25 OCT 1961


SECRET

Dear Sir Arthur,

I enclose a copy of a letter and attachments from the Deputy High Commissioner of the United Kingdom to the Prime Minister on the subject of Greater Malaysia, with which is included a message from Mr. Macmillan to Mr. Menzies.

The Prime Minister has read it and has endorsed on Mr. Macmillan's message, "I completely agree with your handling of the matter with the Tunku". In the light of this could you please let us have an appropriate draft reply which Mr. Menzies can send to Mr. Macmillan.

Yours sincerely,


(E.J. Bunting)
Secretary.

Sir Arthur Tange, C.B.E.,
Secretary,
Department of External Affairs,
CANBERRA.

R/S Mr. Enright for follow up on reply.

SECRET

*Copy Defence.
6-10-61*

SECRET

4th October, 1961

SECRET

In the absence of the High Commissioner in New Guinea I am sending you the enclosed message dated 4th October from Mr. Macmillan about the proposed discussion with the Tunku in London on his plan for a Greater Malaysia. Also enclosed are the text of Mr. Macmillan's message to the Tunku and the text of a draft press announcement which has been put to the Tunku for his concurrence. We have not yet seen the text of the Tunku's message of 28th September to Mr. Macmillan. I shall send it to you as soon as it reaches us.

(N.E. Costar)

The Right Honourable R.G. Menzies, CH., QC., MP.,
Parliament House,
Canberra.

Copy - Defence

Mr. Harde
ETB 4/10

SECRET

SECRET

MESSAGE DATED 4TH OCTOBER, 1961 FROM
MR. MACMILLAN TO TUNKU ABDUL RAHMAN.

My dear Prime Minister

I was most disturbed when I read in your message of 28th September that you might prefer to postpone our proposed meeting in London.

2. I have as you know taken a close personal interest from the start in your plan for a Greater Malaysia and I was particularly disappointed that I had to cancel my plans for a visit to Malaya in September. I very much wish to have an early opportunity of visiting you but I fear that this will not be possible for a little time.

3. Meanwhile the immediate question is how best we can make progress on this very important matter. There is I believe already a very wide measure of agreement between us on our aim. Indeed I would not have suggested that you come to London for a meeting unless I had felt confident that we should be able to make useful progress together.

4. I should make it clear at once that the British Government welcome and accept the concept of a Greater Malaysia which would incorporate Malaya, Singapore and the three Borneo Territories.

5. I fully understand that it is of basic importance to you that the Borneo Territories should be included in the plan. Their inclusion is our aim too. Greater Malaysia must be brought about by a concerted operation covering both Singapore and the Borneo Territories.

/6.

SECRET

- 2 -

6. So far as we are concerned we believe that the best future for the Borneo Territories lies in close political association with the Federation and Singapore and my purpose in suggesting early talks in London was to see how we could best work together with you in attaining this end. There is already a considerable body of opinion in the Borneo Territories which accepts Malaysia as the ultimate aim but there are anxieties which we cannot ignore about the form of the association and about timing. We must therefore bend our efforts in close consultation with you to bring the peoples of the Borneo Territories freely to join with you.

7. I agree with you that there would be great danger to stability in the area as a whole and in Singapore in particular if the present opportunity is let slip. It is therefore urgent that you and we should consider jointly what means are best calculated to achieve our objectives as quickly as may be possible.

8. We have much to plan together. We shall wish to discuss with you what might be the constitutional position of the Borneo Territories within a Greater Malaysia and the best means of preparing the ground in them and presenting our ideas to their peoples. Other matters are the economic development of the Borneo Territories and administrative arrangements including the staffing of the public services; it will as you appreciate be necessary to ensure that
/future

SECRET

- 3 -

future defence arrangements are on the right lines. The Australian and New Zealand Governments are of course closely concerned in this.

9. Imaginative plans of this kind are I am sure best examined in the first instance by personal discussion in the tradition of Commonwealth consultation. In this way we can insure against the misunderstandings which are liable to arise from long range correspondence.

10. I very much hope therefore that in the light of what I have said as to our attitude and approach to these matters you will feel assured that a meeting between us will be fruitful. I understand and agree with your sense of urgency about the project.

11. There are real problems to be surmounted in bringing it about and I am sure that much the best way of making early progress would be for us to meet as soon as possible and talk over together how best to handle them. My colleagues and I are therefore holding ourselves in readiness for a meeting in the week beginning the 23rd October.

12. If you agree we wish to issue a public statement as soon as possible and I attach a copy of what we would propose to say. As to this I am convinced that it would hinder the attainment of what you and I wish to see come about if any public statements were made prematurely which might lead the Borneo peoples to think that decisions about their future had been

/taken

SECRET

- 4 -

taken by others without any consultation with them.
The terms of statement have therefore been most carefully chosen so as to avoid this danger.

Yours very sincerely Harold Macmillan.

SECRET

SECRET

Text of message dated 4th October from
Mr. Macmillan to Mr. Menzies.

My dear Bob,

It is clear from his latest message to me that the Tunku has worked himself into rather a difficult frame of mind. We are all agreed that the idea of a Greater Malaysia offers the best prospects for the future and that it is in all our interests to give it a fair wind. But the Tunku's inclination towards crash tactics may wreck the whole concept. It is all the more important therefore to get him here as soon as possible for frank personal discussion. I am sending you a copy of my latest message to him in which I have gone as far as is possible at this stage to reassure him and have pressed him to agree to an early meeting.

Yours ever,

Harold.

P.M.'s comment on original

*I completely agree with your
handling of the matter with
the Tunku*

SECRET

SECRET

SECRET

Text of Draft Announcement

It is announced from Admiralty House that Tunku Abdul Rahman, Prime Minister of the Federation of Malaya has accepted an invitation from the Prime Minister to come to London towards the end of October for exploratory talks about the Tunku's suggestion for a closer future association between the Federation, Singapore, North Borneo, Brunei and Sarawak. These discussions will naturally take into account the proposals published recently in Singapore and Malaya for a merger of these two territories. H.M.G. have welcomed Tunku Abdul Rahman's constructive suggestion that there should be an understanding with H.M.G. on a plan which would bring the Federation of Malaya, Singapore, Brunei, North Borneo and Sarawak into closer political and economic association. Obviously this idea has great possibilities for the well-being of all the territories involved. The many important implications of such a far reaching scheme as well as its form and timing need careful consideration. The object of the discussions with Tunku Abdul Rahman is to reach an understanding with him on the broad issues and to prepare the way for consultation with the Borneo territories. The wishes of the peoples concerned must be taken fully into account and H.M.G. will not of course enter into any commitment affecting their future without consulting them.

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
INWARD CABLEGRAM **CONFIDENTIAL**

PH

I.23857

Dated: 4th October, 1961.
1650
Rec'd: 5th October, 1961.
0830

FROM:

Australian High Commission,
KUALA LUMPUR.

294 CONFIDENTIAL

Addressed Canberra 294 repeated Singapore 15,
London 8.

Greater Malaysia Proposal.

United Kingdom High Commission (Tory) told me yesterday that despite moderate public position he had adopted in contrast to Lee, Tunku was "angry" with British Government for "dragging there feet" and that although he wanted to visit London this month for talks on Malaysia he now had threatened not to go unless he received shortly assurance of British agreement in principle to transfer Borneo territories and not to make public issue of use of Singapore base for S.E.A.T.O. purposes after merger. Press today also quotes Tunku as saying that he does not want to go to London until British have "made up there minds" on future of Singapore base.

2. Tory tried to explain important difficulties (e.g. attitude of Borneo Governors, Defence Chiefs' views, probable parliamentary questions etc.) Tunku, but latter continued to over simplify issues involved and to adhere to his position.

3. In the circumstance, Tory is pressing United Kingdom Government for urgent message from Macmillan stressing support for early progress towards merger inviting Tunku to visit London about 23rd October and incorporating formula if one can be found which will satisfy Tunku without finally committing United Kingdom Government on base or Borneo territories.

4. Record by bag.

MIN & DEPT. E.A.
MIN & DEPT. DEFENCE
J.I.C.
P.M.'S

5th October, 1961.

Copy to 4

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS

OUTWARD SAVINGRAM.

A+C.

:GS

0.14903

Sent: 3rd October, 1961

TO:

Australian Embassy,
WASHINGTON. SAV.302
(Via Leased Line)

Australian Mission to United Nations,
NEW YORK. SAV.167

Australian High Commission,
LONDON. SAV.EA.232

Australian Commission,
SINGAPORE. SAV.109

Australian High Commission,
KUALA LUMPUR. SAV.72

Australian High Commission,
WELLINGTON. SAV.121

Australian High Commission,
OTTAWA. SAV.142

Australian Embassy,
BANGKOK. SAV.139

Australian Embassy,
MANILA. SAV.88

Australian High Commission,
NEW DELHI. SAV.97

Australian Embassy,
DJAKARTA. SAV.119

Australian Embassy,
SAIGON. SAV.80

Australian Embassy,
TOKYO. SAV.83

Australian High Commission,
KARACHI. SAV.97

Australian Embassy,
PHNOM PENH. SAV.74



CONFIDENTIAL

SINGAPORE - Merger with Malaya

Tunku Abdul Rahman and Lee Kuan Yew held further talks on 16th September during which they reached broad agreement on constitutional and economic problems of merger. It was agreed that Singapore should become the twelfth state of the Federation and that merger should be achieved "in or before June 1963". Subsequently Lee Kuan Yew commented publicly that

CONFIDENTIAL

.../2

Copy to H.

CONFIDENTIAL
DEPARTMENT OF EXTERNAL AFFAIRS
OUTWARD SAVINGRAM

C.14903

- 2 -

Singapore's entry into the Federation would affect the position of the ~~British base in Singapore~~ since sovereignty would no longer rest with the United Kingdom Government. ~~Alternative~~ arrangements would need to be negotiated.

Meanwhile Mr. Macmillan has suggested that the Tunku come to London on 23rd October for talks on both the Malaysia Plan and merger. There appears to be agreement between Mr. Macmillan and the Tunku that Lee Kuan Yew will not accompany the Tunku to these talks. (Lee Kuan Yew is understood to have agreed to this arrangement). In the Tunku's view, Lee's presence might publicly commit the Federation to merger in advance of firm assurances from the United Kingdom government on the prior or at least simultaneous incorporation of the Borneo territories.

MIN.&DEPT.E.A.
P.M.'s

3rd October, 1961

CONFIDENTIAL

SECRET

COPY:

UNITED KINGDOM COMMISSIONER
SINGAPORE.

SECRET TELEGRAM NO. 393.

FROM: UNITED KINGDOM COMMISSIONER SINGAPORE
TO: SECRETARY OF STATE FOR THE COLONIES -393

UNITED KINGDOM COMMISSIONER KUALA LUMPUR -149

REPTD. TO. BY BAG TO:

U.K. HIGH COMMISSIONER BRUNEI }
GOVERNOR NORTH BORNEO }
GOVERNOR SARAWAK }

U.K. HIGH COMMISSIONER
WELLINGTON
U.K. HIGH COMMISSIONER
CANBERRA. M375.

Dated 22. 9. 61.

CYPHER.

Recvd.....

Despd. 22. 9. 61. (1900 hrs.)

GREATER MALAYSIA.

Following is summary of a paper, handed to me for information by Lee Kuan Yew, setting out proposed basis for agreement with Federation on merger.

2. General. Singapore to be a State within the Federation on special conditions. Federal constitution will have to be amended to allow Federal parliament by law to admit states on such terms and conditions as it thinks fit. Singapore Legislature and Executive as at present constituted to continue to function within State field.

3. Citizenship and Elections. Elections to Singapore Legislative Assembly and for Singapore representation in Federal parliament to be based on Singapore citizenship and election laws. Citizens of both the Federation and Singapore to be Federal nationals using a common passport.

4. Representation in Federal Parliament. Full proportionate representation on same basis as other States would give Singapore 25 seats. In view of greater local powers and retention of considerable revenues, Singapore to have two thirds of this, i.e. 17 seats.

5. Division of Powers. Federal Government to be responsible for external relations, defence and security of Singapore. Division of other powers to be for negotiation but suggested modifications to Federal Legislative list would give Singapore exclusive powers over civil and criminal law and the administration of justice, prisons, national registration, Singapore citizenship in relation to electoral rights in Singapore, conduct of elections in Singapore, public utilities, education, medicine and health, labour and social security. Singapore would also have concurrent power over other items in Federal list including banking, foreign exchange, trade, commerce and industry, shipping, communications and transport, societies, newspapers and censorship.

SECRET

/6

SECRET.
SECRET

393

-2-

6. Transfer of Responsibilities. In general for a transitional period Singapore to continue as a matter of convenience to administer all existing departments even though legislative authority might be transferred to the Federation.

7. Finance. The Federation to have exclusive control of taxes of a national character (not defined), loan raising and monetary policy but consultative machinery would ensure that matters affecting entreport trade and Singapore's free port status were not decided without consent of Singapore Government. It appears to be proposed that whole proceeds of taxation (whether Federal or State) in Singapore should accrue to Singapore, who would make a contribution to the Federation towards defence and civil expenditure.

8. Public Service. The existing State Civil Service to continue with facilities for secondment and optional transfer to the Federal Civil Service.

9. Judiciary. Present separate arrangements to continue but provision apparently to be made for Federal judges to be members of Singapore Supreme Court and for appeals from Singapore to be heard by the Privy Council.

10. Internal Security and Police. It is recognised that final decisions will be for the Federation but it is proposed that there should be a Joint Consultative Committee on matters relating to security and that the two police forces should be integrated in stages, the existing organisation and cadre of the Singapore force remaining for an initial period.

11. Defence. Operational control of Singapore local defence forces to pass at once to the Federation but present arrangements for administrative control to continue for a transitional period. Singapore also to continue to administer national service and civil defence so long as Federal Government require. U.K. Government to be asked to continue financial contribution to Singapore local defence forces was agreed for a period of up to 1963 even if merger occurs before then.

.....

DISTRIBUTION: Commissioner General's Office (6)
File.

SECRET

SECRET.

DEPARTMENT OF EXTERNAL AFFAIRS
INWARD CABLEGRAM **SECRET**

PH

I.23618

Dated: 2nd October, 1961
2028
Rec'd: 3rd October, 1961
0445

FROM:

Australian High Commission,
LONDON.

4755 SECRET.

Djakarta.

Repeated Sav. Kuala Lumpur, Singapore

From External.

Malaysia.

Our cable 4697.

Ormerod told us today 2nd October that first type of reply to Tunku (our paragraph 3) is the one likely to be sent off. Macmillan's letter will stress that no progress can possibly be made until they have had a look together at all kinds of detailed points that have to be settled, and he will urge the Tunku to come to London for this reason. Ormerod said that the possibility of joint administration was likely to be one of these. Malayan arrangements for taking over on internal security in Borneo will certainly be another. Ormerod said also that there had been some move to include a reference to the possibility of transferring sovereignty over the Borneos by a specific date, namely June 1963, but that the colonial office had been firmly set against naming a date. Cabinet Committee is meeting late this afternoon to consider and presumably approve this reply.

MIN & DEPT. E.A.
MIN & DEPT. DEFENCE
J.I.C.
P.M.'S

3rd September, 1961

SECRET

Copy 11

DEPARTMENT OF EXTERNAL AFFAIRS
INWARD CABLEGRAM

SECRET

PH

I.23618

Dated: 2nd October, 1961.
2028

Rec'd: 3rd October, 1961.
08.5

FROM:

Australian High Commission,
LONDON.



4755 SECRET.

Djakarta. Repeated Sav. Kuala Lumpur, Singapore,

From External.

Malaysia.

Our cable 4697.

Ormerod told us today 2nd October that type of reply to Tunku (our paragraph 3) is the one to be sent off. Macmillan's letter will stress the progress can possibly be made until they have had at all kinds of detailed points that have to be considered, and he will urge the Tunku to come to London for this reason. Ormerod said that the possibility of a new administration was likely to be one of these Malaysian arrangements for taking over on internal security in Borneo will certainly be another. Ormerod said that there had been some move to include a reference to the possibility of transferring sovereignty over the Borneos by a specific date, namely June 1963, but the colonial office had been firmly set against naming a date. Cabinet Committee is meeting late this afternoon to consider and presumably approve this reply.

MIN & DEPT. E.A.
MIN & DEPT. DEFENCE
J.I.C.
P.M.'S

3rd September, 1961

Copy Defence

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
CONFIDENTIAL
INWARD CABLEGRAM

A16

MW:KW

I.23599

Dated: 2nd October, 1961.
1505

Rec'd: 3rd October, 1961.
0830

FROM:

Australian High Commission,
KUALA LUMPUR.

293. CONFIDENTIAL.

Repeated Singapore 14.

Understand Cabinet decided Friday to press for merger (and presumably Greater Malaysia) by June 1962, instead of previously agreed target date of June 1963. Reasons apparently are similar to those advanced for the Tunkus' recent decision to visit London if possible this month (our memorandum 1145 refers).



MIN.&DEPT E.A.
MIN.&DEPT DEFENCE
J.I.C.
P.M'S

3rd October, 1961.

Copy k.11

DEPARTMENT OF EXTERNAL AFFAIRS
CONFIDENTIAL
INWARD CABLEGRAM

MW:KW

I.23599

Dated: 2nd October, 1961.
1505

Rec'd: 3rd October, 1961.
0830

FROM:

Australian High Commission,
KUALA LUMPUR.

293. CONFIDENTIAL.

Repeated Singapore 14.

Understand Cabinet decided Friday to press for merger (and presumably Greater Malaysia) by June 1962, instead of previously agreed target date of June 1963. Reasons apparently are similar to those advanced for the Tunkus' recent decision to visit London if possible this month (our memorandum 1145 refers).

MIN.&DEPT E.A.
MIN.&DEPT DEFENCE
J.I.C.
P.M'S

3rd October, 1961.

Copy - Defence

IN CLEAR.

TELEGRAM

POL. 29/6

THE BRITISH HIGH COMMISSIONER, KUALA LUMPUR.

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS

To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: 19.00 hours 2nd October, 1961.

Received: 09.00 hours 3rd October, 1961.



IMMEDIATE.

TELEGRAM NO. 47.

UNCLASSIFIED.

Addressed Secretary of State for Commonwealth Relations
No. 726, repeated Commissioner General Singapore No. 171,
United Kingdom Commissioner Singapore No. 88, Governors,
Borneo No. 25, Sarawak No. 25, High Commissioner Brunei
No. 27, British High Commissioners, Canberra No. 47,
Wellington No. 42.

My Telegram No. 723.

This afternoon's "Malay Mail" contains following report
of remarks made by Tunku at airport this morning about talks
with Lee Kuan Yew on Greater Malaysia.

BEGINS

Tunku said "I shall go to London as soon as I get the
green light". Asked whether he would be accompanied by Lee
Kuan Yew Tunku replied "As far as I am concerned I am going
alone". It was, however, up to Lee to decide whether or not
he should accompany him. Asked to comment on Lee's remarks
about way merger talks were progressing Tunku said "I want to
be on the best of terms with everyone and I am so with the
British". Banner headline on front page of "Malay Mail" says
"Best of terms with United Kingdom". Tunku added "There is a
very good prospect of my going to London after a few points
have been cleared, obviously the British have not yet cleared
up these outstanding points". But he hoped that this would
shortly be done. On further points regarding merger and Lee's
statement Tunku declined to elaborate.

HIGH COMMISSIONER.

TELEGRAM

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: 12.15. 1st October, 1961.
Received: 10.00. 2nd October, 1961.



TELEGRAM NO. 45.

Addressed Secretary of State for Commonwealth Relations No. 722;
repeated Commissioner-General Singapore No. 169, United Kingdom
Commissioner Singapore No. 86, Governors Sarawak No. 23, North
Borneo No. 23, High Commissioner Brunei No. 27; Priority
British High Commissioners Canberra No. 45, Wellington No. 40.

GREATER MALAYSIA.

Following is text of official joint communique issued
here by Prime Ministers of Federation of Malaya and of Singapore
6 p.m. Malayan time Saturday, 30th September.

BEGINS.

"The Prime Minister of the Federation of Malaya, Tunku
Abdul Rahman Putra Alhaj and the Prime Minister of Singapore,
Mr. Lee Kuan Yew had talks on Friday 29th and Saturday 30th
September, 1961 at the Residency Kuala Lumpur. Present at the
talks were the Federation Deputy Prime Minister and the Minister
of Defence Tun Haji Abdul Razak Bin Dato Hussain, the Federation
Minister of Internal Security and Minister of the Interior Dato
Dr. Ismail Bin Dato Abdul Rahman and the Singapore Minister of
Finance Dr. Goh Keng Swee.

The Federation Permanent Secretary for External Affairs
Inche Muhammad Ghazali Bin Shafie was also present.

The Prime Ministers of the Federation of Malaya and of
Singapore reviewed with satisfaction the present progress thus
far achieved in pursuance of the agreement to bring about the
merger of the two Territories in or before June 1963.

There was also a discussion on the questions of defence
and security and their implications arising from merger and broad
agreement of views was reached by the two Prime Ministers.

/The

TELEGRAM

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched:

- 2 -

Received:

The Federation Government has nominated the following
officials to serve in the Working Party

- (i) Dato Abdul Azis Bin Haji Abdul Majid, Permanent Secretary, Prime Minister's Department;
 - (ii) Enche Abdul Jamil Bin Abdul Rais, Secretary to the Treasury;
 - (iii) Dato Nik Daud Bin Haji Nik Mat, Acting Secretary to the Ministry of Internal Security;
 - (iv) Enche Abdul Kadir Bin Shamsudin, Acting Secretary for Defence;
 - (v) Enche Ali Bin Hassan, Senior Federal Council.
- Members of the Singapore Government Working Party are as follows
- (i) Enche Ahmad Bin Ibrahim, State Advocate General;
 - (ii) Mr. S.T. Stewart, Permanent Secretary Ministry of Home Affairs;
 - (iii) Mr. Hon Sui Sun, Chairman Economic Development.

ENDS.

HIGH COMMISSIONER.

SECRET

POL. 29/6



E.J. Bunting, Esq. C.B.E.,
Prime Minister's Department,
CANBERRA.

*With the Compliments
of*

MR. J.A. MOLYNEUX.

Encl. 3 copies of telegram to
High Commissioner for the
Federation of Malaya from
Tunku Abdul Rahman Putra.

Ref: Mr. Costar's letter Pol.29/6
of 27th September, 1961.

29th September,
Office of the High Commissioner 1961.
for the United Kingdom,
Canberra, A.C.T.

Spoke
John D. ...
6 OCT 1961

THE FEDERATION OF MALAYA

u Ya'acob.

Following message from Tunku to
possible. We prefer the meeting to
the third week of October because
British firm commitment before
on 30th October. Please impress
is important and let us know

Yew and I have had further
ration of Singapore and the
certain aspects of the merger

You may recall that my agreement to the integration of
Singapore with the Federation was on the basis of the earlier
proposal for an Association including the Borneo territories.
You will, I hope, readily understand my anxiety that there
should now be some clear indication on the part of the
British Government regarding its attitude towards the future
of these territories. Indeed, I am convinced that it would
be difficult to proceed on this matter without some such
commitment.

I gather that Mr. Lee has plans for a meeting of the
Singapore Legislative Assembly at the end of October, during
which the proposed plans for the integration of Singapore and
the Federation would be discussed. It appears to me vital
that by that time the attitude of your Government on the future
of the Borneo territories should leave no room for doubt.
As time is now short, I would like to suggest that we meet
soon, possibly about the end of October or early in November,
in order that the position may be fully ascertained. Mr.
Lee Kuan Yew has agreed that he need not be present at this
meeting.

Yours very sincerely,

Tunku Abdul Rahman Putra.

UNQUOTE.

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SECRET

COPY:

INWARD TELEGRAM

TO: HIGH COMMISSIONER FOR THE FEDERATION OF MALAYA

SECRET IMMEDIATE

Time: 16.30 hours

Date: 20th September, 1961.

From: Haluar Kuala Lumpur

No. 306

From Ghazali for Tunku Ya'acob.

Please deliver the following message from Tunku to Mr. Macmillan as early as possible. We prefer the meeting to take place in London about the third week of October because it is better to obtain the British firm commitment before Singapore Assembly Meeting on 30th October. Please impress on H.M.G. that the meeting is important and let us know reaction immediately.

QUOTE

My dear Prime Minister,

Last week Mr. Lee Kuan Yew and I have had further discussions about the integration of Singapore and the Federation, and as a result certain aspects of the merger were clarified.

You may recall that my agreement to the integration of Singapore with the Federation was on the basis of the earlier proposal for an Association including the Borneo territories. You will, I hope, readily understand my anxiety that there should now be some clear indication on the part of the British Government regarding its attitude towards the future of these territories. Indeed, I am convinced that it would be difficult to proceed on this matter without some such commitment.

I gather that Mr. Lee has plans for a meeting of the Singapore Legislative Assembly at the end of October, during which the proposed plans for the integration of Singapore and the Federation would be discussed. It appears to me vital that by that time the attitude of your Government on the future of the Borneo territories should leave no room for doubt. As time is now short, I would like to suggest that we meet soon, possibly about the end of October or early in November, in order that the position may be fully ascertained. Mr. Lee Kuan Yew has agreed that he need not be present at this meeting.

Yours very sincerely,

Tunku Abdul Rahman Putra.

UNQUOTE.

Copy to : D.I
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C O P Y

UNITED KINGDOM COMMISSIONER
SINGAPORE

SECRET TELEGRAM NO. 386.

FROM: UNITED KINGDOM COMMISSIONER SINGAPORE

TO: SECRETARY OF STATE FOR THE COLONIES - 386

REPTD. TO UNITED KINGDOM HIGH COMMISSIONER KUALA LUMPUR - 145 }
M.369 HIGH COMMISSIONER CANBERRA GOVERNOR NORTH BORNEO } BY
HIGH COMMISSIONER WELLINGTON GOVERNOR SARAWAK }
HIGH COMMISSIONER BRUNEI } BAG

CYPHER

Dated 18.9.61
Received
Despd. 18.9.61 (1530 hrs.)

GREATER MALAYSIA

Lee has started an important series of broadcast talks designed to set out the case for merger and to reveal the whole story of Lim Chin Siong and his communist affiliations. The talks are being broadcast in English, Malay, Mandarin and Tamil and covered by the Press.

2. Two in the series have so far appeared. The first dealt largely with the concept of merger, making the points that no-one was against it, that Singapore could not survive without the economic hinterland of Malaya and that unless the two economies were integrated expansion in Singapore would be restricted and people would get worse and worse off. Lee explained why the Federation on one hand needed control of external affairs, defence and security while Singapore wanted autonomy in education and labour. The talk concluded with reference to opposition of M.C.P. to transfer of security and to their tactics of provoking opposition through front organisations.

3. The second talk broadcast on 15th September was devoted to review of M.C.P. role since the war and the contrast between the violent jungle phase and the present process of undercover penetration of political parties, trades unions, cultural organisations, etc.

4. I understand that in further talks in this series there will be some hard-hitting at communists and their sympathisers. Lee in fact confided to us that he had some worry lest he should frighten the Tunku off Singapore by revealing the activities of communists too starkly. We suggested to him, however, that while there was this risk, on the whole it seemed best to let the Tunku see the real danger in Singapore and to show him that the P.A.P. were prepared to bring the facts into the open. It is too soon to judge what impact the series will have and there is perhaps, as always with this sort of thing, some risk of a back-fire. On balance, however, I think Lee is right in facing up to the communist threat publicly.

.....
Distribution:-

Commissioner General's Office (6)
C. in C. FES
C. in C. FARLEF
C. in C. FEAF
G.O.C.
File

File & Q's Lee.
S E C R E T

Copies Duggan: 4. 10. 61.

COPY

UNITED KINGDOM COMMISSIONER
SINGAPORE

SECRET TELEGRAM NO. 387.

FROM: UNITED KINGDOM COMMISSIONER SINGAPORE

TO: SECRETARY OF STATE FOR THE COLONIES - 387

REPTD. UNITED KINGDOM HIGH COMMISSIONER KUALA LUMPUR - 146 }
TO HIGH COMMISSIONER WELLINGTON GOVERNOR SARAWAK } By
HIGH COMMISSIONER CANBERRA GOVERNOR NORTH BORNEO } BAG
HIGH COMMISSIONER BRUNEI } 370 }

CYPHER Dated 18.9.61
Recvd.
Despd. 18.9.61 (1610 hrs.)

GREATER MALAYSIA

Following is text of communique issued in Kuala Lumpur following meeting of the Tunku and Lee Kuan Yew:-

"The Prime Minister of the Federation of Malaya, Tengku Abdul Rahman Putra Al-Haj, and the Prime Minister of Singapore, Mr. Lee Kuan Yew, had talks for three days at the Residency in Kuala Lumpur.

Present at the talks were the Federation Deputy Prime Minister Tun Abdul Razak bin Dato Hussein, and the Singapore Minister of Culture, Mr. S. Rajaratnam. The Permanent Secretary for External Affairs, Inche Muhammad Ghazali bin Shafie, was also present.

The Prime Ministers of the Federation and Singapore have agreed that the working party should be instructed to work out the details of merger with a view to bringing about the integration of the two territories and its peoples in or before June 1963.

On the basis of the agreement reached on August 23rd, the two Prime Ministers discussed important constitutional and economic problems arising out of merger and broad agreement was reached.

The two Prime Ministers are satisfied that all legitimate local and special interests of the people in the two territories can and will be safeguarded with the merger of Singapore as a State within the Federation.

Much progress has been made as a result of the discussions between the two Prime Ministers. It is decided that the two Prime Ministers will meet from time to time to review the working and decide on the recommendations of the working party."

2. Following are main points made by Lee Kuan Yew on arrival in Singapore.

3. All the main problems of merger had been ironed out and it only remained to settle the details. Singapore was merging with the Federation as a very special State. The Federation recognised its very special position, which was like that of Penang, although Singapore was bigger than Penang and was a free port and a big city. If Singapore did not reserve to itself powers on education and labour there would be a great deal of misunderstanding and unhappiness among the Singapore people.

4. Although every State in the Federation came under the 9th Schedule of the Constitution and customs, excise and income tax powers belonged to the Central Government, Singapore would have administrative duties like education, labour, health and social services and would be getting a considerable amount of taxes to discharge those duties. There would therefore have to be an equitable adjustment of representation in the Federal Parliament otherwise Singapore would be

/represented

represented twice over. Representation would be in proportion with the amount of reserve taxes that would be kept for Singapore.

5. Singapore's status as the twelfth State in the Federation would affect the position of the British in Singapore. The British were at present in Singapore as of right. With merger they could not remain as of right; sovereignty would no longer be with them. This was a matter to be settled between the Tunku, Singapore and the U.K. Government. It would create a considerable amount of difficulty if the British tried to get rights of the nature they had in Cyprus where they were in complete control of certain sections of the Island. Singapore was not as large as Cyprus and large parts of the Island could not be cut off for the Naval Base and the air fields, but these problems were not insuperable.

6. Greater Malaysia could come at the same time or shortly after merger between Singapore and the Federation.

7. On merger Singapore citizens and Federal citizens would become Federal nationals. The question of citizenship and other matters would, in due course, be published in a Command Paper for public information.

8. There would have to be constitutional talks with the British Government by 1963. After all the details of merger had been settled, he and the Tunku would jointly present the plan to the British Government.

9. The ideal must be complete integration between Singapore and the Federation. That was not possible now; there was a lot of misunderstanding and unhappiness about Chinese education. If at any time in the future all the difficulties were ironed out, and the people agreed to education going to the Central Government, then it could be done, but at present the people of Singapore did not want it. The Federation was quite prepared to take charge of all subjects but he was going to safeguard what he thought were the legitimate rights of Singapore. The P.A.P.'s duty for 1963 was to bring about merger on fair and just conditions. After merger the position could be regularly reviewed and if both the State Government and the Central Government agreed to more powers going to the centre, there was nothing to prevent it.

.....

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C O P Y

UNITED KINGDOM COMMISSIONER
SINGAPORE

SECRET TELEGRAM NO. 390

FROM: UNITED KINGDOM COMMISSIONER SINGAPORE

TO: SECRETARY OF STATE FOR THE COLONIES - 390.

REPTD. UNITED KINGDOM HIGH COMMISSIONER KUALA LUMPUR - 147
TO. UNITED KINGDOM HIGH COMMISSIONER WELLINGTON - M372 }
UNITED KINGDOM HIGH COMMISSIONER CANBERRA - M372 } BY BAG
HIGH COMMISSIONER BRUNEI - M372 }
GOVERNOR NORTH BORNEO - M372 } Via S. of S.
GOVERNOR SARAWAK - M372 }

CYPHER

Dated 19.9.61

Recvd.

IMMEDIATE

Despd. 19.9.61 (1430 hrs.)

Your telegram No. 371.

GREATER MALAYSIA - LONDON TALKS

You will have seen in my telegram No. 387 the communique issued by the Tunku and Lee after their talk in Kuala Lumpur. Lee has given me the following background to this.

2. When Lee appeared in Kuala Lumpur, he was faced with a bombshell by the Tunku who suggested that in view of the opposition to merger in Singapore it would be better for Lee to form an alliance with Lim Yew Hock and hold a general election in Singapore on the issue of merger. If he won, then merger could go ahead. If Barisan Socialis won, however, there would be no point in proceeding.

3. Lee claims he eventually convinced the Tunku it was not possible to go ahead on this basis, but it became clear that the Tunku was not willing to give Lee a firm undertaking on the implementation of merger until he had got what he wanted from Her Majesty's Government in regard to the Borneo territories. The Tunku therefore now preferred that he should go to London alone to meet Mr. Macmillan as a first step. If he obtained a sufficiently forthcoming undertaking about the Borneo territories from Mr. Macmillan (which Razak wished to be made public), he would give Lee the "all-clear" to hold his referendum in Singapore. He did not wish, however, at this stage to go to London with Lee, since this would publicly tie him to merger before the Borneo territories had been settled.

4. Lee said he accepted this understanding as the best bargain he could get and agreed with the Tunku further details about merger which presented no great difficulty. The Tunku had accepted that there should be about fourteen Singapore representatives in the Kuala Lumpur Parliament.

5. I asked Lee what he thought his prospects were of holding his position in Singapore in view of this latest development. He was a little more hopeful than recently but still envisaged the Tunku reaching broad agreement with Her Majesty's Government on the Borneo territories in time for the Singapore referendum to be held in November. His plan remained to hold the referendum and get a vote in favour of merger, after which he would be prepared to deal with any direct action on the part of Lim Chin Siong and the Barisan Socialis.

6. I have spoken to Tory on the telephone and it appears there is little hope of the Tunku being persuaded to go to London with Lee. I do, however, hope that the Tunku will go not later than the week beginning November 5th and that, if satisfactory agreement is reached with the Tunku, Lee will arrive either as the Tunku is about to depart or very soon thereafter. I think it is important that you should see Lee Kuan Yew before he attempts to get a final decision from Singapore on the question of merger.

/7.

S E C R E T

- 2 -

7. I took the opportunity of making two further points to Lee. The first was that he would be well advised not to be drawn any further about the defence aspects of merger, and he undertook to try to keep off this subject. The second was that he ought to satisfy the demands of the other political parties for a round-table conference, and he said that, although he was not willing to go with them to London, he was prepared to hold an all-party conference in Singapore and publish the results.

8. He again undertook to let me see his Paper on the details of merger but he has not yet produced it.

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C. in C. F.E.A.F.
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COPY

UNITED KINGDOM COMMISSIONER SINGAPORE

SECRET TELEGRAM NO. 391

FROM: UNITED KINGDOM COMMISSIONER SINGAPORE
TO: SECRETARY OF STATE FOR THE COLONIES - 391
REPTD. UNITED KINGDOM HIGH COMMISSIONER KUALA LUMPUR - 148
TO: Brunei }
Borneo } M374 (via S. of S.) BY BAG TO:
Sarawak } PRIORITY - U.K.H.C. CANBERRA }
U.K.H.C. WELLINGTON } M374

CYPHER Dated 21.9.61
Recvd. IMMEDIATE
Despd. 21.9.61 (1615 hrs.)

My telegram No. 390.

GREATER MALAYSIA - LONDON TALKS

Lee Kuan Yew is very disturbed that the Tunku should not be going to London until the week beginning 5th November. He says he is obliged to meet the Legislative Assembly not later than 31st October since he undertook at the time of the prorogation of the Assembly on July 20th that they would meet again in three months' time. If the Tunku has not been to London and obtained some assurance from H.M. Government in regard to the Borneo territories by the time the Assembly meets, Lee will not be able to present to the Assembly anything more than the agreement in principle he has reached so far with the Tunku. This means that he will not be in a position to give the Assembly the answers on the all important question of citizenship and representation in the Kuala Lumpur Parliament. In these circumstances, Lee anticipates that he may have sticky debate and while he does not expect to be defeated, he considers his position would be further weakened. The way he put it was that there was a considerable extra risk involved for him in having to meet the Assembly without a public agreement with the Tunku on the details of merger.

2. Lee has therefore made a strong plea to us that Mr. Macmillan should ask the Tunku to come to London sometime in October. We have explained that October is extremely difficult for Mr. Macmillan and that the date of 5th November has been proposed in full appreciation that the delay will be embarrassing to Lee. We have, however, undertaken to pass on his representations to you.

3. We pointed out to Lee that his anxiety can only be interpreted as an indication of the weakness of his position in Singapore. He appreciated this but said it was necessary to be realistic. Considerable pressures were being exerted on certain of his 26 loyal Assemblymen to defect to the Barisan Socialis and it was vital for him to be able to consolidate his position in the Assembly at the earliest possible moment. Nobody else in Singapore was likely to be able to put through merger and we must be prepared to face the consequences if he failed.

4. I am afraid these representations from Lee can only be regarded as further disturbing confirmation of the overall weakness of his position. It is becoming increasingly uncertain whether he will survive to implement merger, even if agreement can be obtained with the Tunku. Nevertheless, I see no alternative but to continue to help him wherever possible. I hope, therefore, it may still prove possible for the Tunku to be invited to London in October. I understand Tory got the impression from Razak that the Tunku could manage October. If, however, this cannot be done, I must reiterate my plea that the date will not go back beyond the week beginning 5th November.

.....

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DEPARTMENT OF EXTERNAL AFFAIRS
INWARD CABLEGRAM

../J3

I. 23349

Dated: 28th September, 1961.

1840

Recd: 29th September, 1961.

0445

FROM:

Australian High Commission,
L O N D O N.



4697. SECRET.

D akarta.

Repeated Savingram Kuala Lumpur, Singapore,

From External.

Malaysia.

Nield (Colonial Office) spoke to us today about Tunku's reply to recent letter from MacMillan about forthcoming meeting. Whereas United Kingdom officials were contemplating public statement about meeting which would reassure such Borneo and United Kingdom opinion as is nervous about Malaysia and jealous of sovereignty, Tunku's reply states in effect that unless United Kingdom is prepared to acknowledge principle of cession of sovereignty over Borneo Territories before meeting then we will not come to London.

2. United Kingdom officials are in high state of dudgeon about this. Cabinet Committee had just been set up to make recommendation to Ministers on Malaysia for forthcoming meeting and now its first task has become how to act to ensure meeting takes place at all. Nield says they are all agreed that it must take place and sufficient concessions or sweeteners must be offered to Tunku to induce him to come. However, he is adamant that even with encouraging signs of trend of opinion in Borneo, Ministers could not possibly agree to Tunku's demand.

3. One form of reply may be a very frank letter to Tunku setting out fully United Kingdom support for Malaysia idea but emphasising Parliamentary and other reasons why they cannot cede the territories even in principle at once. Alternatively they may suggest some form of joint administration with Malaya participating and exercising certain responsibilities in regard for example to their external relations. Possible schemes of this sort are under legal study at present and as they offer some prospect of being acceptable to the Tunku may be the line chosen.

MIN. & DEPT E.A.
MIN. & DEPT DEFENCE.
J.I.C.
P.M.'s.

29th September, 1961.

../2

SECRET

Long 4.

SECRET

370

SECRET



E.J. Bunting, Esq., CBE
Prime Minister's Department
Canberra

With the compliments of the

High Commissioner

for the

United Kingdom

enclosing two copies of his letter
to Mr. Menzies dated 25th Sept.
and enclosures.

25th September, 1961

Office of the High Commissioner

for the United Kingdom

Canberra, A.C.T.



Mr Griffiths
Pass to Sir A. Tamm
supplan down please
also Mr Joscelyn
ETA 25/9
File 115

SECRET
TELEGRAM

POL.22/6
CYPHER

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: 10.40 hours 24th September, 1961.
Received: 07.30 hours 25th September, 1961.

ROUTINE

TELEGRAM NO. 2267

SECRET

Addressed British High Commissioner Kuala Lumpur
1439, repeated Commissioner General Singapore, Governors
North Borneo and Sarawak, British High Commissioners Brunei,
Canberra 2267, Wellington 1603.

My telegram 1437 - paragraph 4.

Following is text of draft announcement.

BEGINS

It is announced from Admiralty House that Tunku Abdul Rahman, Prime Minister of the Federation of Malaya, has accepted an invitation from the Prime Minister to come to London towards the end of October for exploratory talks about the Tunku's suggestion for a closer future association between the Federation, Singapore, North Borneo, Brunei and Sarawak. These discussions will naturally take into account the proposals published recently in Singapore and Malaya for a merger of these two territories.

Her Majesty's Government have welcomed Tunku Abdul Rahman's constructive suggestion that sooner or later there should be an understanding with Her Majesty's Government on a plan which would bring the Federation of Malaya, Singapore, Brunei, North Borneo and Sarawak into closer political and economic association. Obviously this idea has great possibilities for the future but it raises many problems and its form and timing need most careful consideration. The wishes of the peoples concerned must be taken fully into account and Her Majesty's Government will not of course enter into any commitment affecting Borneo Territories without consulting

SECRET

25th September, 1961

I enclose the text of a personal message dated 24th September from Mr. Duncan Sandys on Greater Malaysia. I also attach a copy of the message dated 25th September which Mr. Macmillan has now sent to the Tunku.

2. Our High Commissioner in Kuala Lumpur has been given discretion to say to the Tunku that in considering dates for the conference, British Ministers have had to bear in mind that if the Berlin crisis came to a head in October it might prove impossible for them to hold talks on Greater Malaysia at that time. They feel sure that the Tunku will understand that they must make this reservation and that of course it in no way implies that they are not anxious to discuss the question of Greater Malaysia as soon as possible.

3. After Sir Geoffrey Tory has delivered Mr. Macmillan's letter to the Tunku it is intended to convey the gist of it to Mr. Lee in Singapore.

4. I also attach the text of a draft announcement which may be issued if the Tunku agrees to Mr. Macmillan's proposals. It is intended to clear its terms with the Tunku in due course and meanwhile our representatives in the "Greater Malaysian" area have been asked if they have any comments. It is felt that the statement cannot possibly say less to assure public opinion in the colonial territories concerned that they will not be

The Right Honourable R.G. Menzies, CH., QC., MP
Parliament House,
Canberra.

/pressed

COPIES - Minister for Defence
- Sir Arthur Tange
- Mr. Hicks, (Defence)

pressed into union against their will. This does
not in any way imply doubts about Greater Malaysia
but simply the British view that if the union is
to prosper the people must come in willingly.

W. R. Jones

SECRET
TELEGRAM

POL.22/6

GYPER

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS

To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: 10.40 hours 24th September, 1961.

Received: 07.30 hours 25th September, 1961.

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TELEGRAM NO. 2267

SECRET

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North Borneo and Sarawak, British High Commissioners Brunei,
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form and timing need most careful consideration. The wishes
of the peoples concerned must be taken fully into account and
Her Majesty's Government will not of course enter into any
commitment affecting Borneo Territories without consulting
them.

END

SECRET

UNCLASSIFIED FOR EXPORT

SECRET

Text of Message to Mr. Menzies from Mr. Duncan Sandys
dated 24th September, 1961

Our High Commissioner has forwarded to me the text of your letter of 28th August on the Greater Malaysia plan. We are grateful for this full account of your views and are very glad to see that your thinking both on the advantages and on the possible risks of the plan is in close line with our own. We shall of course continue to keep you in close touch. We are hoping to take this in Cabinet shortly and will be letting you have our considered views as soon as this has been done. Meanwhile in order not to lose momentum Macmillan has invited the Tunku to come here for talks on 23rd October. Lee is very keen to have talks before the end of that month because of the growing threat to his position in Singapore and the Tunku, who had suggested a later date, has now indicated that for this reason he would prefer to come in October. We hope to be able to make rapid progress.

I was interested to see what you told our High Commissioner about defence facilities in Australia. We are going into this but it will be a little time before we are ready to give you our considered comments on it.

SECRET

SECRET

Text of Message from Mr. Macmillan to the
Prime Minister of Malaya dated 25th September, 1961

My dear Prime Minister,

Thank you for your letters of the 11th August and 4th September and your message of the 30th September. I agree that the questions involved in the idea of an association between Malaya, Singapore and the Borneo territories have become urgent and that we should meet as soon as possible. We have no objection to your proposal that our meeting in London should not be attended by Lee Kuan Yew and I understand that he accepts this. I fully appreciate the urgency of this matter and I suggest that the meeting be held in the week beginning the 23rd October. Would you let me know if this would suit you. I was most interested to have your thoughts on these matters in your two letters and we will be glad to go into them fully with you when we meet in London. The two questions you asked in your letter of the 4th September about our possible early relinquishment of sovereignty over the Borneo territories and Singapore and about including Singapore within the framework of the Malayan Defence Agreement are of course fundamental to the whole issue. We shall need a little more time to study the implications before we can give you our views on them and I am inclined to think in these circumstances that preliminary discussions of the kind referred to in your letter of 4th September would not be of much value. It is only at a meeting between ourselves that we can hope in my view to make any real progress with these highly important questions of policy. Once we have agreed on the date of our
/meetings

SECRET

- 2 -

meetings I suggest it would be a good thing to make an early announcement. Our High Commissioner will be consulting you about an appropriate text.

Yours very sincerely,
Harold Macmillan.

SECRET



SECRET

OFFICE OF THE HIGH COMMISSIONER
FOR THE UNITED KINGDOM
CANBERRA

POL.29/6

27th September, 1961

Dear Mr. Bunting,

With his letter of 25th September the High Commissioner sent to Mr. Menzies a copy of Mr. Macmillan's message to the Tunku dated 25th September - I think, in fact, it should be 24th September - about Greater Malaysia. In it Mr. Macmillan referred to a message from the Tunku dated 4th September, of ... which I now enclose a copy.

Mr. Macmillan also referred to a message from the Tunku dated "30th September". This was an error in transmission and should have read 20th September. We understand that details are coming to us by airmail and we will let you have a copy on receipt.

Yours sincerely,

N.E. Costar
(N.E. COSTAR)

E.J. Bunting, Esq., C.B.E.,
Prime Minister's Department,
CANBERRA.

Mr. Herd
EJB. 29.9.

29 SEP 1961

SECRET

② - Mr. Cripps

GREATER MALAYSIA

Text of a Message from the Tunku to Mr. Macmillan
dated 4th September, 1961

Since my last letter to you of 11th August about the proposed association of the Borneo territories, Singapore and the Federation of Malaya, events have been moving very swiftly and I think therefore that I should keep you informed of these developments.

2. As you probably know Mr. Lee Kuan Yew and I had a meeting recently at which we agreed in principle on the question of the integration of Singapore and the Federation. We were also agreed that the question of Defence, External Affairs and Security should be the responsibility of the Federal Government while the State of Singapore would retain Education and Labour. As a result we decided on the appointment of a working party to go into the various implications arising out of the proposed arrangements.

3. I am fully convinced that this subject must now be pursued with the utmost vigour and urgency and I am hoping therefore that the working party will be able to meet in the very near future. As you are no doubt aware, there are elements in Singapore owing allegiance beyond these shores who are now working very actively to arouse Chauvinist and anti-merger sentiment as they realised that the real object of the merger was to combat Communism in this region. For my part I am equally determined to keep ahead of their moves and my recent meeting with Mr. Lee was partly designed to keep the issue alive. A respite will only work to their advantage.

4. In these circumstances I would like to revise my earlier proposal in response to your invitation that

/we

SECRET

- 2 -

we might meet early next year. It appears to me to be in the interest of us all that we should arrange to meet as soon as possible. However, before we meet it may perhaps be best to settle beforehand the basis for our talks. It is extremely important that we should do all we can in advance to ensure the success of our discussions, as their failure will be a serious setback of which the Cynunists will make full use for to their advantage. I wonder, therefore, if at this stage you could say whether the British Government would agree to relinquishing its sovereignty over the Borneo territories and Singapore in the immediate future, to enable them to become member states of Malaysia and if so, the means by which this could be effected. At the same time I think it would be important to know whether the British Government would contemplate the use of the Singapore base within the framework of our mutual defence agreement including the fulfilment of Commonwealth obligations.

5. It might perhaps be possible to carry on with the discussion here with representatives of our three Governments and find agreed basis for the talks in London. This would save much time as it would help to remove any obstacle there might be in the way of bringing about a successful merger of these territories with the Federation. I suggest that only after careful planning and preparation have been made here should we go to London. If the intention is to meet earlier, then we might meet soon.

:EHB

I.22691

Date: 21st September, 1961
1640
Rec'd: 22nd September, 1961
0830

FROM:

Australian High Commission,
KUALA LUMPUR.

283 SECRET

Addressed Canberra repeated Singapore and London.
Malaysia Plan.

Permanent Secretary of External Affairs, Ghazali, expressed hope during lengthy discussion on Malaysia Plan yesterday that Australia might assist Federation by impressing on United Kingdom -

(A) Need for firm action against subversive elements in Singapore. He was not optimistic that United Kingdom could be persuaded to take such action but said he hoped that at least they would prevent internal security situation from deteriorating further before merger especially if Communists in Barisan Socialist tried to create tense situation during forthcoming discussions in London when Lee would be away from Singapore or in period between these discussions and implementation of merger.

(B) Importance of promoting Malaysia concept in Borneo territories and urgency of creating conditions for their joining Federation.

(C) That stable Malaysia in South East Asia would make greater contribution to general struggle against Communism in area than retention of right to use Singapore base for S.E.A.T.O. operations.

2. He said he suggested this because emergence of a wider federation under stable friendly alliance Government would seem to be in Australia's interests also.

3. Details by bag.

MIN & DEPT. E.A.
MIN & DEPT. DEFENCE
J.I.C.
P.M's
--

22nd September, 1961

SECRET

SECRET

COPY:

INWARD TELEGRAM

TO: HIGH COMMISSIONER FOR THE FEDERATION OF MALAYA

SECRET IMMEDIATE

Time: 16.30 hours

Date: 20th September, 1961.

From: Haluar Kuala Lumpur

No. 306



From Ghazali for Tunku Ya'acob.

Please deliver the following message from Tunku to Mr. Macmillan as early as possible. We prefer the meeting to take place in London about the third week of October because it is better to obtain the British firm commitment before Singapore Assembly Meeting on 30th October. Please impress on H.M.G. that the meeting is important and let us know reaction immediately.

QUOTE

My dear Prime Minister,

Last week Mr. Lee Kuan Yew and I have had further discussions about the integration of Singapore and the Federation, and as a result certain aspects of the merger were clarified.

You may recall that my agreement to the integration of Singapore with the Federation was on the basis of the earlier proposal for an Association including the Borneo territories. You will, I hope, readily understand my anxiety that there should now be some clear indication on the part of the British Government regarding its attitude towards the future of these territories. Indeed, I am convinced that it would be difficult to proceed on this matter without some such commitment.

I gather that Mr. Lee has plans for a meeting of the Singapore Legislative Assembly at the end of October, during which the proposed plans for the integration of Singapore and the Federation would be discussed. It appears to me vital that by that time the attitude of your Government on the future of the Borneo territories should leave no room for doubt. As time is now short, I would like to suggest that we meet soon, possibly about the end of October or early in November, in order that the position may be fully ascertained. Mr. Lee Kuan Yew has agreed that he need not be present at this meeting.

Yours very sincerely,

Tunku Abdul Rahman Putra.

UNQUOTE.

Copy to : D.I
Grand Design Distribution

Handwritten notes:
This - if no. pls. arrange
3/10 - though it is probably overdone by later messages?
M. Hume says 10/10

INWARD CABLEGRAM

:JM

I. 22314

FROM: (PRESS)

Dated: 18th September, 1961
1035
Rec'd: 18th September, 1961
1455

Australian High Commission,
KUALA LUMPUR.

279. UNCLASSIFIED.

At the conclusion of talks on merger in Kuala Lumpur on Saturday, Tunku Abdul Rahman and Mr. Lee issued the following joint communique.

"The Prime Minister of the Federation of Malaya, Tengku Abdul Rahman Putra Al Haj, and the Prime Minister of Singapore, Mr. Lee Kuan Yew had talks for three days at the Residency in Kuala Lumpur.

Present at the talks were the Federation Deputy Prime Minister Tun Abdul Razak Bin Dato Hussein and the Singapore Minister of Culture Mr. S. Rajaratnam. The Permanent Secretary for External Affairs, Inche Muhammad Ghazali Bin Shafie, was also present.

Details.

The Prime Ministers of the Federation and Singapore have agreed that the Working Party should be instructed to work out the details of merger with a view to bringing about the integration of the two territories and its people in or before June 1963.

On the basis of the agreement reached on August 23rd the two Prime Ministers discussed important constitutional and economic problems arising out of the merger and broad agreement was reached.

The two Prime Ministers are satisfied that all legitimate local and special interests of the people in the two territories can and will be safeguarded with the merger of Singapore as a State within the Federation.

Much progress has been made as a result of the discussions between the two Prime Ministers. It is decided that the two Prime Ministers will meet from time to time to review the work and decide on the recommendations of the Working Party."

On August 23rd it was agreed that with the merger of Singapore as a State of the Federation, the Federation would be responsible for defence, external affairs and internal security and Singapore for education and labour.

Copy 14

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

:JM

I. 22314

2.

18th September, 1961

MIN.&DEPT. E.A.
MIN.&DEPT. DEFENCE.
J.I.C.
MIN.&DEPT. TRADE.(C).
A/TREASURER & TREASURY.
MIN.&DEPT. L.&N.S.
P.M.'s. DEPT.
P.M.'s.

246

For Enuff

- ① For infirm.
- ② send copy to Hefman

29 AUG 1961

R. H.

28th August, 1961.

On 12th July, 1961 you let me have copies of the United Kingdom memorandum on the Greater Malaysia plan as well as copies of Tunku Abdul Rahman's memorandum on the subject and Mr. Macmillan's reply to the Tunku of 3rd August.

The Australian Government has given close consideration to Tunku Abdul Rahman's proposal. We are of the opinion that, on balance, realization of the Greater Malaysia plan, under certain defined conditions, could make an important contribution to the stability of the region.

In the first place, that plan appears to offer a solution of the problem of Singapore. On the assumption that the United Kingdom cannot indefinitely maintain the status quo there, the only long-term alternatives for Singapore are in fact independence or its association with or incorporation in another state. The latter is obviously preferable - and association with Malaya is obviously preferable to association with Indonesia. An independent Singapore, as the Tunku realises, would probably lean increasingly to Communist China and become a centre for the subversion of Malaya and the region generally.

It seems to us that some form of merger between Singapore and Malaya should be negotiable provided that extremist forces can be prevented from gaining control in Singapore in the meanwhile and provided that the necessary political changes in the Borneo territories can be brought about soon enough. Given the relatively conservative and reliable character of Malayan politics and the political terms likely to be demanded by the Tunku, such a merger should improve the long-term prospects for containing the extremist forces in Singapore's political life; we have noted particularly that control by the central authority over internal security in Singapore is common to the Tunku's proposal and United Kingdom thinking.

Similarly, the Greater Malaysia plan offers a reasonable prospect of stability for the Borneo territories which might otherwise be caught between competing Malayan and Indonesian and perhaps eventually Communist Chinese pressures. We should nevertheless place considerable importance on provision for adequate and timely steps to establish that there is not popular opposition in the Borneo territories to their incorporation one way or the other in Greater Malaysia.

We have considered the defence implications of the plan and recognise its possible disadvantages. Serious and sustained efforts would be necessary to obtain from the new central government of Greater Malaysia defence arrangements to meet the requirements of the Commonwealth Strategic Reserve. This is a matter we would stress. The aim should be to negotiate a new defence agreement providing the best possible terms for the continued presence of the Strategic Reserve in its primary role of deterring communist aggression in the area. We agree that whatever bargaining position is available should be used to this end. Like you, we recognise that it might prove impossible to retain the facilities we require and that re-location of the Reserve might be necessary. In assessing the extent to which this serious contingency should affect our attitude to the Malaysia

Plan, we have noted that existing political trends suggest that such re-location might well be necessary within a few years, whether or not Greater Malaysia is achieved.

On balance, therefore, we see advantages in the eventual creation of a Greater Malaysia on the lines visualised by the Tunku provided that :

- (a) the Malayan and Singapore Governments retain their present non-communist character,
- (b) the plan, as it is developed, establishes the greatest practicable Malayan influence in the central government and ensures adequate control by the latter of matters relating to internal security in Singapore.

We would also re-emphasise our concern that our defence interests and, in particular, the position of the Commonwealth Strategic Reserve should be safeguarded to the fullest extent possible.

In reaching these views, we have not overlooked the practical political considerations, which make it uncertain whether the Greater Malaysia concept will in fact be achieved. Nor have we discounted the danger that such an attempt to prevent the loss of Singapore to communism could conceivably lead to an enlargement of the communist threat to Malaya and the Borneo territories.

We look forward to being kept informed of developments by your Government.

Yours sincerely,

(R.G. MENZIES)

His Excellency Sir William Oliver, K.C.B., O.B.E.,
High Commissioner for the United Kingdom,
CANBERRA. A.C.T.

SECRET

OFFICE OF THE HIGH COMMISSIONER
FOR THE UNITED KINGDOM
CANBERRA

23rd August, 1961

SECRET

POL.29/6

Dear Mr. Bunting,

Would you please refer to my High Commissioner's letter to Mr. Menzies of 5th August with which he enclosed a copy of a message from Mr. Macmillan to Tunku Abdul Rahman about the proposed association of Singapore and the Borneo Territories with the Federation of Malaya, a proposal which for convenience has been given the abbreviated title of "Greater Malaysia".

2. In the High Commissioner's absence from Canberra I now enclose a copy of the Tunku's reply dated 11th August. As this is a Prime Minister to Prime Minister message it would be appreciated if knowledge of its precise terms could be restricted to as few people as possible.

3. You will notice that the Tunku now proposes early in the New Year as the most suitable time for the meeting in London. Tun Razak recently told our High Commissioner in Kuala Lumpur that he would very much like to be with his Prime Minister for these talks but that he could not get away before January for this purpose. Sir Geoffrey Tory suspects that the Tunku has decided to take Tun Razak with him and that this explains the timing suggested.

4. Ministers in Britain will shortly be giving further consideration to this whole subject. It would therefore be helpful to have an indication of the Australian Government's thinking at an early date. In this connection I note that it is Mr. Menzies' intention to have a discussion with the High Commissioner.

5. I am sending a copy of this letter and enclosure to Mr. Heydon.

Yours sincerely,

N.E. COSTAR

(N.E. COSTAR)

E.J. Bunting, Esq., C.B.E.,
Prime Minister's Department,
Canberra, A.C.T.

SEEN BY PRIME MINISTER

SECRET

Files of Australia

NAA: A1209, 1961/794 PART 1

SECRET

GREATER MALAYSIA

Following is text of letter dated 11th August, 1961 from Tunku Abdul Rahman to Mr. Macmillan.

"I was very pleased to receive your letter of 3rd August giving your present views about the proposed association of Singapore and the Borneo Territories with the Federation of Malaya. Your generous and constructive attitude in this matter is a source of much encouragement to me.

As you know the question of the integration of Singapore and the Federation is not a new one, indeed since Independence the idea of "merger", to give its popular name has been constantly mooted but I have stood out against it because of my fear that the communal politics of Singapore based on Chinese chauvinism would upset the balance of political thinking in the Federation and destroy our hopes for the peace and well being and harmony of our peoples. The politics of this region however would not allow for isolation and the idea of greater cooperation and association between the Borneo Territories and Singapore, and the Federation, has been exercising my mind for some considerable time.

While I agree that the pace for such a development should not be forced I am at the same time most concerned about the Communist threat in Singapore which becomes more menacing as time goes on and I feel very strongly that before long the question of the future of Singapore will have to be settled. I am convinced that an independent Singapore will be drawn towards China; unless that is forestalled, it is needless for me to say the Federation as well as the region will be exposed to grave dangers.

If we are to take in Singapore it would be necessary first to strengthen our own position and we could only do that if the three Territories of Borneo join us. This would provide a measure of confidence in our people and would correct the imbalance in the population. The Malays and the Dayaks are of the same racial origin while the Chinese in those territories have not as yet been seriously penetrated by Chinese Communist politics. Without the

/Borneo

These however are matters for more detailed discussions and I therefore warmly welcome your suggestion that we might meet in London and I propose that early in the New Year would be most suitable for me. I agree with you that it would be useful to bring Mr. Lee Kuan Yew into these discussions."

1900



SECRET

OFFICE OF THE HIGH COMMISSIONER
FOR THE UNITED KINGDOM
CANBERRA

23rd August, 1961

61/794

SECRET

POL.29/6

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5. I am sending a copy of this letter and enclosure to Mr. Heydon.

Yours sincerely,
N.E. Costar
(N.E. COSTAR)

E.J. Bunting, Esq., C.B.E.,
Prime Minister's Department,
Canberra, A.C.T.

SEEN BY PRIME MINISTER

SECRET

For Mr. Heydon
copy to Department
EJB 20/8

SECRET

SECRET

GREATER MALAYSIA

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/Borneo

Borneo Territories I would find it impossible to contemplate the integration of Singapore and the Federation to persuade my political colleagues and the country to accept it. You were right of course in emphasising that the Borneo Territories should be associated under the proposed arrangements only as free and willing partners. I have no doubt that once they are persuaded that such a merger would be in their interest they would be only too happy to join us. The difficulties to which you have referred are no more serious than those which existed in the Federation before Independence. They are purely parochial and create no insuperable barrier. These susceptibilities and demands can be met and provided for under the Federation Constitution and assurances to that effect will I think satisfy the Territories concerned.

As regards defence I fully appreciate the points you have raised. Let me hasten to assure you that I am equally concerned that the Defence arrangements for this region should not be jeopardized under the proposed arrangements. However, I foresee no difficulty in arriving at some suitable arrangement within the framework of the existing mutual Defence Agreement between our two countries whereby the various defence requirements may be satisfied. This would at the same time remove any possible fears that we are drawn unwittingly into SEATO.

These however are matters for more detailed discussions and I therefore warmly welcome your suggestion that we might meet in London and I propose that early in the New Year would be most suitable for me. I agree with you that it would be useful to bring Mr. Lee Kuan Yew into these discussions."

SECRET

25

DEPARTMENT OF EXTERNAL AFFAIRS
RESTRICTED
INWARD SAVINGRAM

:HP

I,19690

Dated: 11th August, 1961.

Rec'd: 14th August, 1961.

FROM:

Australian High Commission,
KUALA LUMPUR.

Savingram 19.
Singapore

RESTRICTED .



Political Developments in the Federation of Malaya -
fortnight ending 10th August, 1961.

Continuing interest in the proposal to associate Singapore and the British Borneo territories with the Federation was probably the main feature of the fortnight. The Session of the House of Representatives which commenced on 7th August, the formal establishment of the Association of South East Asia (A.S.A.), renewed interest in the proposal for a Common Market between the Federation and Singapore, support for Tunisia in the Bizerta incident, the Prime Minister's denunciation of Portuguese colonialism in Angola, the completion of the National Language Month, the launching of a fund for the National Monument to be erected in honour of those who fought in the Emergency against the Communist terrorists, and the return of the first Malayan Special Force from the Congo were other developments of interest.

MALAYSIA.

2. While little progress appeared to be made during the fortnight in drawing up actual plans for the Malaysia scheme, the Federation maintained a level of interest which must give further impetus to the proposal. The Tunku answered a series of questions in Parliament about Malaysia, in the course of which he indicated that:

- a) the Malaysia project was the Federation's idea and was not based, as had been suggested, on recommendations of the former United Kingdom High Commissioner in South East Asia, Mr. Malcolm MacDonald;
- b) Singapore was willing to discuss the project at any time and the Federation was now only awaiting a formal indication of willingness from the United Kingdom to enter into discussions, and
- c) The Federation had no intention of "colonising" the Borneo territories but would "accept them of their own free will" (he subsequently said in answer to another question that the Federation would "be happy to accept these territories" if the British Government was "willing").

3. Two groups of Councillors from North Borneo and Sarawak, as well as two Dyak chiefs, are to make a study tour of the Federation starting this weekend. These visits, together with the Malaysia Youth Seminar which opened here on 9th August at the Language Institute, are

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DEPARTMENT OF EXTERNAL AFFAIRS **RESTRICTED**
INWARD SAVINGRAM

-2-

I.19690

indicative of the Federation's continuing attempts to influence opinion in the Borneo Territories in favour of the Malaysia Plan.

A.S.A.

4. On his return to Kuala Lumpur from Bangkok on 2nd August the Tunku, who was accompanied by the Philippines Foreign Minister, Mr. Serrano, said that he was pleased with the results achieved. Mr. Serrano said that the three partners did not feel it necessary to ask more countries to join A.S.A. They hoped that the usefulness of the Association would become evident in time and that other South East Asian countries would find it to their benefit to join.

5. The Indonesian Embassy here has been at pains to correct local press reports of Dr. Subandrio's comments on A.S.A. According to a rather confused Embassy statement it was wrong to say he had called A.S.A. "useless", he had merely described it as "of no use".

6. The Tunku, however, was apparently impervious to this distinction and made some tart references to Indonesian politics when reporting to Parliament on his visit to Bangkok.

7. A standing committee of A.S.A. is to be set up in Kuala Lumpur and a meeting will be held at Foreign Minister level here on 1st December. Two subjects which we understand the Committee will consider are the abolition of visas and the formation of a joint airline.

MALAYAN CHINESE ASSOCIATION

8. The reorganization of the M.C.A. is still proceeding slowly and unless it is speeded up the party would, according to the Minister of Finance, Mr. Tan Siew Sin, become an "object of pity to its friends and lose the respect of its political opponents".

ELECTIONS.

9. The Alliance candidate easily won the Telok Gadong Besar town council by-election in Klang polling almost twice the combined People's Progressive Party and Socialist Front vote. (Our Savingram 16).

EDUCATION.

10. During the fortnight the Ministry of Education announced that it would spend \$260 million under a schools building programme in the next 4½ years. Many of the new schools are to be constructed in rural areas. Although free primary education is to be introduced into Government fully-assisted primary schools in 1962, school fees in fully assisted secondary schools will not be increased despite the Education Review Committee's recommendation to this effect.

COMMON MARKET WITH SINGAPORE.

11. On 2nd August it was announced in Kuala Lumpur, after talks between the Singapore Minister of Finance, Dr. Goh Keng Swee, and Federation Ministers, that a joint application would be made to the United Nations for the services of two economic experts to study forms of closer economic association between the Federation and Singapore, and to report on their implications.

/3.....

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RESTRICTED

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD SAVINGRAM

-3-

I.19690

12. This move, which was apparently suggested by Dr. Goh, is the first real sign of progress since talks began last year. Singapore Ministers no doubt hope that the results of the expert survey will be reassuring to the as yet unconvinced Federation.

COMMONWEALTH FINANCE MINISTERS CONFERENCE.

13. Two Federation Ministers, Finance (TAN SIEM SIN) and Commerce (JOHARI) will attend the Commonwealth Finance Ministers Conference in Accra next month. They will also attend the World Bank meeting in Vienna from 18th to 25th September.

ECONOMIC.

14. International Tin Agreement. Malayan Governmental and mining circles have welcomed reports that the United States will join the International Tin Agreement. On his recent visit to Europe the Assistant Minister of Commerce & Industry, Mr. Cheah Theam Swee, also urged West Germany, as a major consuming nation, to join.

15. Senator Chan Kwong Hon, one of the Malayan delegates to the recent Tin Council meeting, said in Kuala Lumpur on 31st July that Malaya would put forward a strong case for revised (and higher) floor and ceiling prices at the next meeting of the Council in London later this month.

16. Commodity Prices. Rubber closed at 83½ cents per lb. on 10th August (83½ cents per lb. on 27th July) and tin at \$468.50 per picul (\$461.75 per picul on 27th July).

MIN. & DEPT. E.A.
" " " DEFENCE.
J.I.C.
MIN. & DEPT. TRADE (C.M.)
" " " PRIMARY INDUSTRY (C.M.)
TREASURER & TREASURY.
MIN. & DEPT. N.D.
CUSTOMS & EXCISE.
P.M.'S DEPT.
P.M.'S.

14th August, 1961.

RESTRICTED

SECRET

POL. 29/6



E.J. Bunting, Esq., C.B.E.,
Prime Minister's Department



With the compliments of the
High Commissioner
for the
United Kingdom

McGuffin
Q

Enclosing two copies of the High
Commissioner's letter dated 5.8.61.
to Mr. Menzies, with two copies of
its enclosure (copy of Mr.
Macmillan's letter of 3.8.61. to
the Tunku).

Office of the High Commissioner

for the United Kingdom.

Copy to Heydon E.A.

5.8.61.

harker
EB 91

5.8.60.

11.30 am.

W.B.G.S. 5/8.

SECRET

24

5th August, 1961



I have been asked to let you have the enclosed copy of a letter dated 3rd August from Mr. Macmillan to the Tunku about the proposed association of Singapore and the Borneo Territories with the Federation of Malaya.

I have also been asked to let you know that the United Kingdom Government will of course be consulting further with the Australian and New Zealand Governments prior to discussions with the Tunku and Mr. Lee.

sgd. W. Blunt

The Right Hon. R.G. Menzies, C.H., Q.C., M.P.
Parliament House,
CANBERRA.

SECRET

SECRET

Text of Mr. Macmillan's letter dated 3rd August
to the Tunku

My dear Prime Minister,

Thank you for your letter of June 26th about the proposed association of Singapore and the Borneo Territories with the Federation of Malaya.

As I said in Parliament on June 20th I had observed with interest the constructive suggestion you made in the course of your speech in Singapore on May 27th. The ideas which I know have been developing in your mind for some time and which you have now put forward could have an encouraging effect for the political stability of South East Asia; and I warmly welcome the stimulus they have already given to discussion. I was particularly glad to receive from you the secret memorandum enclosed with your letter setting out your ideas about the form of such an association and the ways in which it might be brought about. I have arranged for the ideas in your memorandum to be examined with all possible expedition. We have already had an opportunity of discussing it with Lord Selkirk and Sir Geofroy Tory while they were over here.

As you know these very important proposals require consideration from a number of different aspects. You will therefore understand that I cannot at this stage commit the British Government on the possibility of a wider association. In particular there are some points on defence and on the Borneo Territories on which they will need to be reassured.

On defence the question of the continued use of our important bases and facilities in Malaya and the other
/countries

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- 2 -

countries concerned raises very large issues. Certainly the present difficult state of affairs in South East Asia and the need in all our interests to maintain confidence there makes it very important that nothing should be said which might cast doubt on the maintenance of British defence capabilities in the area. Our mutual friends in Australia and New Zealand are of course also directly concerned and we shall wish to consult with them.

As regards the Borneo Territories I hear that you have just been visiting Brunei and Sarawak yourself. You will thus have been able to form some preliminary impressions about the situation there and the state of opinion on a wider association of the kind you have in mind. Our impression is that the idea of finding their eventual political future in some kind of link with Malaya is seen to have attractions. This suggests that if the ground were carefully prepared and the advantages of any wider association became generally recognised the Borneo Territories would be ready to come in as free and willing members. I am sure you will agree that it is most important at this initial stage and in view of the doubts and hesitations which have been expressed publicly in the territories over what close political association would involve for the various races there that we do not give the impression that we are deciding on their future without regard for their own wishes.

I had been greatly looking forward to discussions about this project with yourself and Mr. Lee Kuan Yew in September. I am most disappointed that I had to postpone

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- 3 -

my visit to you. I think it is important that we should meet soon to talk these matters over and since you have been good enough to suggest that you would be prepared to come to London I am wondering whether you could in fact visit us instead. Several of my colleagues are of course closely involved and our various engagements here would not permit us to meet as early as September. As you know the international calendar in September and October is at the moment rather uncertain and I may not yet be able to propose a definite date on which we might have talks. I would very much hope however that it would be possible to hold these in late October or early November. If this period would be suitable for you in principle perhaps you would let me write again in late September in order to propose a definite date. I believe it would be useful if Mr. Lee could come to London at about the same time so that we could bring him into our discussions. This would I think be a necessary preliminary to any formal conference which might seem appropriate later on in which of course we should have to include the Borneo Territories.

Would you be good enough to let me know whether my suggestion for a visit appeals to you and whether the sort of dates I have suggested would suit you so that we can sound out Mr. Lee? In the meantime for this and for a number of other reasons I should greatly prefer that nothing be said publicly about a possible visit.

Yours very sincerely,

Harold Macmillan.

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
INWARD CABLEGRAM

CONFIDENTIAL

:CM

I.19042

Dated: 3rd August, 1961
2230
Rec'd: 4th August, 1961
1449



FROM:

Australian Embassy,
WASHINGTON

1944 CONFIDENTIAL

(Please pass Kuala Lumpur and Singapore).

Repeated London 350. (please pass Paris)

Copy U.N. New York and Ottawa.

Malayan Federation .

Steeves (Deputy Assistant Secretary Far East)

said that if the United Kingdom raised this subject at the Paris talks the United States would be "good listeners". They were sympathetic to anything the United Kingdom and Malaya might put forward but did not want to get themselves actively mixed up with the problem at this stage. In response to our inquiry Steeves said the United States was not worried about Indonesia's attitude to the Federation.

MIN & DEPT E.A.
MIN & DEPT DEFENCE
P.M.'S

4th August, 1961

Copy E.H.

CONFIDENTIAL

SECRET

RJB:NH

25 JUL 1961

61/794


SECRET

Dear Mr. Costar,

Thank you for your letter of 12th July, 1961, concerning "Grand Design".

This is a subject that is now under active consideration and the Prime Minister will no doubt wish to discuss it with the United Kingdom High Commissioner in due course.

Yours sincerely,


(E.J. Bunting)
Secretary.

N.E. Costar, Esq., C.M.G.,
Deputy High Commissioner
for the United Kingdom,
CANBERRA.

25 JUL 1961

COPY - E.A. (inf.)

SECRET

SECRET

INWARD CABLEGRAM

:JM

I. 18069

FROM:

Dated: 20th July, 1961
1558
Rec'd: 21st July, 1961
0830

Australian High Commission,
LONDON.

3599. SECRET.

Repeated Singapore 11, Savingram Kuala Lumpur,
Djakarta, Washington.

From External.

Your 2355. GRAND DESIGN.

Colonial Office (Melville) is more relaxed than the Foreign Office and claims that Selkirk is not unduly worried by Anson results, which he expected to be worse. While Lee Kuan Yew is down in the dumps, and has a difficult task in re-establishing himself, Melville thinks that resignation offered to P.A.P. Chairman and promptly rejected, was pre-arranged. While the United Kingdom expects some discomfort from competitive anti-colonial utterances and over detainees, they anticipate that Lee will survive and be prepared to be privately co-operative.

2. The effect of this on the Grand Design is not clear, but Melville seems to expect that policy of merger before independence will remain possible. Even Lim Chin Siong's statements do not reject it completely. But the Tunku, by his Borneo trip, and by his suggestion that Singapore should come in after the Borneo Territories (a suggestion not favoured by the Colonial Office) is not making things easier. There are many complications with Borneo which will take time to work out. The problem is to get the Tunku to do some re-thinging without causing him to lose his enthusiasm for the Grand Design.

3. There is not expected to be any lengthy delay before a United Kingdom decision. Melville expects Ministers to overrule the hesitations of the Chiefs of Staff shortly, and it is even possible that Mr. Macmillan may give a clear indication of United Kingdom intentions in the Colonial debate in the House next week. It is expected that both the Tunku and Lee will come to the United Kingdom, possibly in October, for discussions.

4. Melville was most interesting on the defence aspects. The deterrent role of British force in Malaya and Singapore is seen as not necessarily being seriously affected in merger, provided the spelling out of the circumstances in which these forces can not operate can be avoided.

5. The above (especially paragraph 4) represents a very bare summary of a long talk, which is covered in detail by savingram.

Shann.

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS **SECRET**
INWARD CABLEGRAM

1. 18069

2.

MIN.&DEPT. E.A.
P.M.'s.

21st July, 1961

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS
OUTWARD CABLEGRAM

SECRET.

:::HP

0.11283
Sent: 20th July, 1961.
1840

TO:

Australian High Commission,
LONDON.



2355. SECRET.

For External.

For Shann.

Grand Design. Your memorandum 1214.

We should be glad if you would canvass at higher levels than Nield situation following Chiefs of Staff rejection of planners report and Anson by-election. Are there now real prospects of a lengthy delay before any final United Kingdom decision?

2. Glad brief cabled report.

MIN. & DEPT. E.A.(3027/1/2/3)
P.M.'S.

Cost - £4.10.0.

21st July, 1961.

Copy to H.

SECRET 201



DEPARTMENT OF EXTERNAL AFFAIRS.
CANBERRA.

In reply quote No. 3027/1/2/3

20th July, 1961.



Dear Mr. Nimmo,

Thank you for your letter of 12th July enclosing copies of United Kingdom and Malayan memoranda on the projected association of Malaya, Singapore and the Borneo Territories.

2. You will know that this question is to be considered by a special Cabinet Committee. In the circumstances, it would seem advisable to tell Mr. Costar that the subject is under active consideration and that Mr. Menzies would no doubt wish to discuss it with the United Kingdom High Commissioner in due course.

Yours sincerely,

(A.H. Tange)
Secretary

Mr. J.F. Nimmo.
Deputy Secretary.
Prime Minister's Department,
CANBERRA. A.C.T.

*Mr. Campbell - please ~~send~~ ack. to
Costar along with copy of para 2.*

Mr. Bevan

SECRET

20/7

SECRET

(12)

6/1/794

SECRET

12th July, 1961.

Dear Sir Arthur,

Mr. Costar has informed Mr. Bunting that, when the Commonwealth Secretary was here, he had it in mind to speak to the Prime Minister about the Tunku's recent speech about what is known as the "Grand Design". Costar does not know whether the Secretary of State in fact found time to do this. Mr. Bunting is pretty sure he did not manage it.

We have now received from Costar, on instructions from the British Government, a memorandum dealing with this subject and a copy of the Tunku's own memorandum referred to in paragraph 13 of the United Kingdom paper. Two copies of ... each of these are enclosed herewith.

Mr. Costar has informed Mr. Bunting that the United Kingdom High Commissioner would like to discuss this subject with Mr. Menzies.

Yours sincerely,

Mr. Bunting

*The P.M. should see
the UK paper. Pls
arrange.*

(J.F. Nimmo)
Deputy Secretary.

*Mr. Bunting**He did
discuss it?**Copy to Defence also?*

Sir Arthur Tange, C.B.E., *ETA 15/7*
Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

SECRET*Copy Refused*

9 JUL 1961

*Copy also handed
to K.H.*

JFN/RS.

SECRET



SECRET

12th July, 1961.


Dear Sir Arthur,

Mr. Costar has informed Mr. Bunting that, when the Commonwealth Secretary was here, he had it in mind to speak to the Prime Minister about the Tunku's recent speech about what is known as the "Grand Design". Costar does not know whether the Secretary of State in fact found time to do this. Mr. Bunting is pretty sure he did not manage it.

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Yours sincerely,


(J.F. Nimmo)
Deputy Secretary.

Sir Arthur Tange, C.B.E.,
Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

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PRIME MINISTER'S DEPARTMENT

ATG:NH

THE PRIME MINISTER:

The attached memorandum concerns proposals for a wider association between the British Borneo Territories, Singapore and the Federation of Malaya.

Mr. Costar understands that the Commonwealth Secretary had it in mind to speak to you about these proposals but he does not know whether in fact Mr. Sandys had time to do this. The High Commissioner, Sir William Oliver, therefore wishes you to know that if you wish to discuss the subject with him he would be very happy to do so.

*Not at present
R.H.*

[Signature]
(K. H. Herde)
Assistant Secretary.

19th July, 1961.

*In Herde
would you pass on
P.M.'s answer to an office
ESTB 7*

*Mr. Lippitt -
Please attend to
a note to Mr
office.*

Mr. Baylunq

*Letter sent to Costar
informed by phone
R.H. 7.*

*I have not passed on
any message to Sir Wm Oliver*

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H66 22/7

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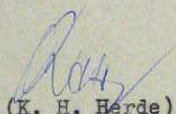
ATG:NH



THE PRIME MINISTER:

The attached memorandum concerns proposals for a wider association between the British Borneo Territories, Singapore and the Federation of Malaya.

Mr. Costar understands that the Commonwealth Secretary had it in mind to speak to you about these proposals but he does not know whether in fact Mr. Sandys had time to do this. The High Commissioner, Sir William Oliver, therefore wishes you to know that if you wish to discuss the subject with him he would be very happy to do so.


(K. H. Herde)
Assistant Secretary.

19th July, 1961.

SECRET

Mr. Gifford

I send a copy of this
last week. - I think I
sent a copy to Kefauver -
please check & ignore and
copy.

(2) Please send over to
P.M. with covering
note. If P.M. wishes to
discuss with Oliver - he
could indicate it on
the note - but I
don't think he would
due to his many other
preoccupations

Alb. 12/7



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OFFICE OF THE HIGH COMMISSIONER
FOR THE UNITED KINGDOM
CANBERRA

MEMORANDUM

Proposals for a Wider Association between
Malaya, Singapore, Borneo, Brunei and Sarawak

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OFFICE OF THE HIGH COMMISSIONER
FOR THE UNITED KINGDOM
CANBERRA

POL 29/6

SECRET

12th July, 1961

Dear Mr. Bunting,

When the Commonwealth Secretary was here he had in mind to speak to the Prime Minister about the Tunku's recent speech about what is known as the "Grand Design". We do not know whether the Secretary of State in fact found time to do this.

However, I now enclose, on instructions from the British Government, a memorandum dealing with this subject. I also enclose a copy of the Tunku's own memorandum referred to in Paragraph 13, which has also now reached us.

The High Commissioner wishes me to say that if Mr. Menzies would like to discuss the subject with him he would be very happy to do so.

Yours sincerely,

N.E. Costar

(N.E. COSTAR)

E.J. Bunting, Esq., C.B.E.,
Prime Minister's Department,
Canberra, A.C.T.

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must be broad based. ...
should have an understanding with Britain and
the peoples of Singapore, Borneo, Brunei and
Sarawak

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OFFICE OF THE HIGH COMMISSIONER
FOR THE UNITED KINGDOM
CANBERRA

MEMORANDUM

Proposals for a Wider Association between
the British Borneo Territories, Singapore
and the Federation of Malaya

The report by the group of Commonwealth officials on the Constitutional Development of the Commonwealth noted that Singapore and the three territories of British Borneo (North Borneo, Brunei and Sarawak) might ultimately join with the Federation of Malaya in becoming part of a wider Malayan Federation. This possibility has recently been under examination by the Commissioner-General for the United Kingdom in South East Asia and other British representatives in the area, who have strongly recommended that the United Kingdom should accept the development of such a political association as an ultimate goal of the United Kingdom Government's policy in the area.

2. The Prime Minister of Singapore has for some time been pressing that Singapore should attain independence through merger with the Federation. Until recently the Federation's attitude was adverse but Mr. Lee Kuan Yew has recently had successful talks with Federation Ministers on the basis of a Malaya-Singapore merger with the three Borneo territories coming in as a counterweight. Of these territories the Sultan of Brunei and his Government have been prepared to enter the Federation, but the attitude of some elements in Brunei and most of the other two territories has been one of lack of interest. In a speech in Singapore on the 27th May Tunku Abdul Rahman said:

"Malaya to-day as a nation realises that she cannot stand alone and in isolation. Outside of international politics the national one must be broad based. Sooner or later she should have an understanding with Britain and the peoples of Singapore, Borneo, Brunei and Sarawak

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Sarawak. It is premature for me to say now how this closer understanding can be brought about but it is inevitable that we should look ahead to this objective and think of a plan whereby these territories can be brought closer together in a political and economic co-operation."

3. Mr. Lee Kuan Yew has warmly welcomed this statement and both he and the Tunku are pressing for early consideration of an association of the five territories. Unofficial opinion in Malaya and Singapore seems on the whole to be more lukewarm. The Sultan of Brunei has told the Tunku privately that he would be prepared to bring his State in as an additional unit of the Federation. Reactions in Sarawak and North Borneo have been more cautious. The position of the various territories may be described as follows.

Borneo Territories

4. These three territories are individually very vulnerable both because of their geographical position and their racial make-up. China, Indonesia and the Philippines all have, or could easily work up, interests of one kind or another. Even an association of North Borneo and Sarawak would not be a very strong State. With Brunei in it, it could be more viable (though the oil will not last for ever). But the Sultan is not keen on association with North Borneo and Sarawak alone. In the long run, therefore, if these territories are going to achieve independence on a viable and effective basis, they should be included in some wider association.

5. Our stated policy for these territories is that, subject to their own wishes, the people should ultimately achieve self-government. At present many of their inhabitants have no wish other than that they should remain with us as dependencies. There is no sign whatever of a wish to link with Indonesia or the Philippines, nor have North Borneo or Sarawak in the past shown any interest in a closer association with Malaya. In North Borneo the Malays are a

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very small minority; in Sarawak the Malay majority is larger. But even here no such interest has been detectable. In the Malay State of Brunei recent events have shown that though the Sultan personally favours a union of his State with Malaya, it does not follow that he can carry his people with him.

6. It has all along been clear therefore, and first reactions in Borneo to the Tunku's statement have confirmed, that if a policy of association of these territories is to be developed, its application will have to be gradual and cautious (a) because of their multi-racial character and their political backwardness, and (b) because it will take time for the idea of association with Malaya to become generally acceptable. To try to force them into union with Malaya before they are ready might be counter-productive. On the other hand a policy of strengthening the links between these territories before they go into wider federation might give them greater confidence that they can hold their own with the more sophisticated states of the present Federation of Malaya.

Singapore

7. We have always had in mind that Singapore and the Federation of Malaya should one day merge, and have publicly blessed this idea on more than one occasion. There is continued pressure in Singapore for further moves in the direction of complete independence. Mr. Lee Kuan Yew in a number of confidential talks has made clear his view that the right answer would not be independence as a separate State but independence by merger with the Federation of Malaya. He said he would be prepared to wait, say, five years before achieving independence by merger but emphasised that he would be under pressure for early moves towards separate independence. Such moves have already been made by Opposition politicians to
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- 4 -

the right of his party, and a movement of the extreme left-wing would undoubtedly be dangerous. He has therefore welcomed the Tunku's recent conversion to a policy of merger.

Federation of Malaya

8. The Federation of Malaya until very recently did not feel able to contemplate absorbing Singapore in view of the destructive effect this would have on the balance of its Malay and Chinese populations. But the Tunku has now come round to accepting that an independent Singapore, with all the dangers that it might become increasingly orientated towards Peking, would be a greater menace to him than a Singapore within an expanded Federation over which he could exercise some control. He therefore now accepts the policy of merger, but only if the Borneo territories with their non-Chinese majority are brought in as a counter-weight. He is anxious to make rapid progress to an extent which we fear may jeopardise the prospects by frightening off the Borneo territories.

Political considerations

9. Provided that the association was achieved with the willing co-operation of all the peoples of the territories, the political advantages would be considerable. The alternative would be a Singapore agitating for separate independence, unviable and probably increasingly orientated towards Peking, and the Borneo territories, either separately or together, similarly moving towards independence without the resources to hold their own against their stronger neighbours. A union of the territories would be strong economically, and politically would do much to secure a key area.

10. A number of problems may be expected to arise in moving towards this wider association. Between Singapore and the present Federation the problem of which authority shall deal with education in Singapore may cause real difficulty, education /being

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being a subject of much political delicacy in Malaya. There is also the problem of the attitude of the people in Borneo, who may well be reluctant to come in even though we think the solution is the right one for them. Another problem for us is that of our defence installations and rights. At present the facilities granted to us by the Federation Government in general adequately safeguard our ability to fulfil our SEATO obligations, since our forces can move into Singapore and from there can move freely. But the Malayan attitude to SEATO and the restrictions imposed on movements in and out of the Federation of Malaya could have serious effects if Singapore and the Borneo territories could no longer be used as deployment centres. Even so, the alternatives to the "Grand Design" would seem to us to be less attractive. If we were to attempt to keep Singapore in its present status, this would in due course have to be imposed by force. It would tie down considerable forces, embarrass us politically and would go far towards neutralising the value of the base. A Singapore which became independent separate from Malaya would, in our view, be less likely to concede the defence facilities we require, and in this situation the weak Borneo territories if they remained separate would be unable to defend themselves and might be a further call on our resources. In a Singapore under a central government similar to that of the present Federation, we may stand a better chance of obtaining the facilities we require.

11. We would need to negotiate the retention of these facilities and would make every effort to secure the best terms we could; in this we would have important bargaining counters. The new Association will no doubt wish to retain Overseas Commonwealth Forces for assistance in its external defence and as an indirect assurance of internal stability, and will be reluctant to forgo
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the benefits at present accruing from them as employers of labour and providers of external currency.

12. If, contrary to our hopes, it proves impossible to retain the facilities we require, then we shall have to look elsewhere. In this connection it will be recalled that when Mr. Townley was in London there was some discussion about the possibility in the long term of establishing a station for United Kingdom forces in Australia. We had envisaged this as a matter to be examined in the context of long-term planning for 1970; it would be an alternative possibility should we not secure the facilities we require in Malaya.

Recent Developments

13. The Tunku has recently communicated his views to Mr. Macmillan in a memorandum, copies of which will be transmitted to the Australian Government on receipt. Its main points are:-

- (a) As a first step the Borneo Territories should be brought into the Federation on the same basis as the existing State units in Malaya. After this merger Singapore should join. The preliminary discussions with Singapore should be before the Constitutional Review in 1963.
- (b) The Federation would exercise control of Internal Security, Defence Development, Finance, Immigration, Education and Foreign Affairs.
- (c) On defence the memorandum reads as follows :-
"The next matter which will require attention will be the question of the British bases in Singapore which are now used as part of the S.E.A.T.O. defence. But after the merger of Singapore with the Federation it is obvious that these bases would no longer be at the disposal of S.E.A.T.O. but could be maintained as bases for /the

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- 7 -

the defence of the Commonwealth."

- (d) Formal discussions between the Federation and the United Kingdom, whose Delegation would include representatives from Singapore and the Borneo Territories, should be held towards the end of the year. The meeting should decide on the appointment of an Independent Commission to work out constitutional details.
- (e) The Federation Government do not share the view that merger is a matter for a long term objective and should be considered as such. They feel the time is opportune to give immediate consideration to a plan for an early integration and that a delay will only result in many undesirable consequences.

14. The Tunku's memorandum underlined the main difficulties in the scheme, viz. the problems for the Borneo Territories and the maintenance of our defence requirements; but in addition the Tunku is now apparently insisting on the integration of the Borneo Territories as a first step and only then does he propose to take in Singapore.

15. Accordingly Lord Selkirk subsequently discussed the matter further with Tun Razak and Mr. Ghazali, the Secretary of the Malayan Department of External Affairs. Tun Razak seemed to understand that the scheme was full of difficulties and would take some time to mature. He accepted that it was vital not to antagonise the Borneo Territories by attempting to rush things. On defence he was reserved and did not envisage that the United Kingdom would retain the full use of its bases as at present. Mr. Ghazali was more flexible and envisaged that it might be possible to devise some sort of smoke-screen for the movement of troops in and out of the new Federation for S.E.A.T.O. purposes.

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/Summary

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Summary

- (a) There are strong reasons in favour of the development of a political association between Singapore, the Federation of Malaya and the three Borneo Territories.
- (b) Progress towards this goal will have to be adjusted to the rate of political evolution in the Borneo Territories.
- (c) The British Government itself must be extremely careful not to seem to be forcing the pace. Progress must depend on the wishes of all the peoples concerned. But it will be desirable that the United Kingdom Government should conduct its policies in such a way as to attain this end.
- (d) At the same time great care must be taken not to discourage the Tunku from pursuing his recent initiative, while ensuring that he is fully aware of the complexity of the problems concerning the Borneo territories.
- (e) If Brunei alone were to wish to join Malaya in advance of the other two Borneo territories we need not object, but we should not encourage this.
- (f) "Grand Design" may offer prospects of our retaining defence facilities in the long term. But we need to negotiate conditions which will enable us to carry out our military obligations, and this presents serious problems.

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E.R.

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MALAYA, SINGAPORE AND BORNEO TERRITORIES

Following is the text of the Tunku's memorandum.

SR(050)304 SECRET

INTEGRATION OF BRITISH NORTH BORNEO TERRITORIES
AND SINGAPORE WITH THE FEDERATION OF MALAYA

Introduction

It is generally agreed that all dependent territories should in due course attain Sovereign and Independent status, an objective over which the United Kingdom and the Federation Government have no differences. Indeed, the Federation Government has followed the policies pursued in various parts of the world by the United Kingdom Government in this regard with appreciation and sympathy, being aware of the delicate balance required between progressive policies and the realities of particular situations. The immediate areas of concern to the Federation Government is Singapore, and further away, however, are the neighbouring territories, namely North Borneo, Brunei and Sarawak. The future must inevitably require careful, long term and in the present political climate, urgent consideration.

2. Annexe A shows a breakdown of the area and population of each of these territories.

3. The history of the Federation of Malaya is inter related with the history of the Sultanate of Brunei which was formerly a powerful state with authority over those other two Borneo territories and territories of the Malay archipelago. There had been trade and political, social and cultural ties between those territories and Malaya from time immemorial. Racially the various indigenous peoples of those territories are related to the Malays, in fact they come of the same stock. The British domination in various degrees in this region during recent history brought about a closer political and administrative connection between the British North Borneo territories and British Malaya. There was established a currency union which still exists in the form of a Currency Agreement and there was interchangeability of the civil, police, educational and technical services, and in the case of the State of Brunei, many Malayan Civil Service, Medical Service and Technical Service officers are serving on secondment with the Brunei Government.

Proposal

4. Under the Defence Treaty with the United Kingdom, Malaya is committed for the defence of the Borneo territories, Singapore and Hong Kong in the event of external aggression or outbreak of hostilities in these territories. With regard to Singapore the Federation of Malaya is represented in the Internal Security Council. It would not be out of place therefore if these territories were brought into closer ties with the Federation of Malaya. It is proposed therefore as a first step that the territories of Brunei, Borneo and Sarawak be brought into the Federation as units of the Federation, enjoying the same rights and privileges as the States which presently form the Federation of Malaya, namely, Johore, Malacca, Negri Sembilan, Selangor, Pahang, Perak, Kelantan, Trengganu, Kedah, Perlis and Penang. Brunei, being a Sultanate, would have a Sultan as Head of State, the other two territories would be headed by Governors as is done with Penang and Malacca.

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It would be better of course if Sarawak could be returned to Brunei, at least the northern part of Sarawak, where the population is mainly Malays and Dyaks.

5. After the merger of these territories with the Federation of Malaya, the next logical step would be to form a greater federation with Singapore. As the present Constitution of Singapore requires to be reviewed in 1963, the most appropriate time for preliminary discussions with Singapore would be before that date. It would be difficult at this stage, to determine the position of Singapore in its relation with the Federation, but it is obvious that once they become part of the greater federation, Singapore would be subject to the influence of the Federation, with rights to determine fully its internal affairs, except with regard to matters of national importance, such as internal security, defence, development finance, immigration, education and internal defence, and so it follows with regard to foreign affairs the Greater Federation Government will assume sole responsibility.
6. The next matter which will require attention will be the question of British bases in Singapore which are now used as part of SEATO defence. But after the merger of Singapore with the Federation it is obvious that these bases would no longer be at the disposal of SEATO but could be maintained as bases for the defence of the Commonwealth.
7. The administration of Singapore, Brunei and the Federation presents no difficulties whatsoever because the system of civil administration in these territories follow the same pattern based on British administration. It only remains to maintain the present administrative system, and in the future the officers of these territories would be interchangeable or transferable as they belong to the same service. It is proposed however that Singapore should maintain their own civil service but with rights to claim for secondment of officers from the Federation.
8. It is proposed that a discussion on this line mentioned above should be held when the Prime Minister of the United Kingdom visits the Federation in September, after which a formal discussion can be arranged with representatives of the Federation Government on one side and the United Kingdom as representing the United Kingdom Government and these other territories on the other side.
9. There are no Constitutional problems however novel or difficult which cannot be resolved. The main problem will be how to present the plan for Greater Malaysia to the peoples of three respective territories. Singapore can express their own will through their elected representatives, but in view of the political immaturity of the people of Borneo it is not anticipated that they will have politicians who can represent them. It is to be expected therefore that the representation of the United Kingdom Government will include representatives from each of these territories as well. This meeting should decide on the appointment of an independent Commission with terms of reference to work out the Constitutional details of such a federation of territories. It is suggested that this Commission should, if possible, be made up of those members of the Commission who drafted the Constitution of the Federation of Malaya, with the exception of the Chairman, Lord Reid, who it is understood is indisposed. In his place it is proposed that Lord Ogmores who is conversant with affairs in this part of the world should be invited to serve as Chairman.
10. It is a matter for emphasis that such a federation, comprising a grand total of nearly ten million people, in an area of 130,000 square miles, as against a Federation of 50,000 square miles, will

SECRET

/have

have the effect of creating a greater importance in the hearts and minds of the people of these territories and a national pride which would go a long way in building up a feeling of loyalty to the country. The Federation of a Greater Malaysia or a Greater Malaya, whichever name may be decided upon, will be powerful and viable and will be able to give greater contribution in the support of the Commonwealth association.

11. It has been suggested in some quarters that the merger of these territories is a matter for a long term objective and should be considered as such. The Federation Government however does not share this view. It is felt that the time is opportune to give immediate consideration to a plan for an early integration of these territories with the Federation of Malaya. A delay will only result in many undesirable consequences. For example, the Federation is one of the participating Governments to the present Currency Agreement. The other four participating Governments are those whose territories are the subject of this proposal. It will be appreciated that this participation in an Agreement which requires unanimity on all major issues derogates materially from the Federation's sovereignty as an independent nation in currency and financial matters. It is therefore natural that continued participation in such an Agreement under such conditions would be unsatisfactory from a long term point of view. The Federation Government is already being subjected to constant criticism by political opponents and the matter has become a live issue in recent election campaigns. In fact the Federation Government is actively considering withdrawing from this Agreement in accordance with the agreed procedure specified therein. At the same time it is felt that it would be a pity to break up an Agreement which has served all concerned so well in the past, but this Government would have no alternative, unless there is a reasonable prospect that all the territories covered by this Agreement will, in the near future, form an integral part of the Federation.

12. It is hoped that the British Government would give favourable consideration to this proposal for a Greater Malaysia. While relationship between the Federation of Malaya and the United Kingdom has been most cordial and the ties of friendship and common interest are inseparable, such a federation of territories as proposed will do much to arrest the spread of Communism in this region of Asia, and this is particularly urgent in view of the recent intensive Communist activities in South East Asia as a result of their success in Laos.

SECRET

SECRET

Annex A.

BREAKDOWN OF POPULATION FIGURES

Country	Area sq. miles	Malaya +	Chinese	Indians & Pakistanis	U	L	A	T	I	O	N*
Federation of Malaya	50,690	3,406,000	2,520,000	767,000		122,000		6,815,000			Statistics Department Singapore
Singapore	225	227,300	1,230,700	137,800		38,300		1,634,100			
North Borneo	29,837	281,400	106,500	-		41,500		429,400			
Sarawak	47,000	507,000	229,000	-		8,300		744,300			Annual Reports
Brunei	2,226	59,200	21,800	-		2,900		83,900			
	129,978	4,480,900	4,108,000	904,800		213,000		9,706,700			

Total Figures for the Five Territories

Total of Non-Malays:
Malays:
Excess of Non-Malays:

5,225,800
4,480,900
744,900

* As at 31/12/1959.
+ 'Malays' here includes the Dayaks, Dusuns etc.

Figures without Singapore

Malays:
Non-Malays:
Excess of Malays:

4,253,600
3,819,000
424,600

SECRET

INWARD CABLEGRAM 1853

P R E S S

Sent: 5th July, 1961.
1700
Rec'd: 6th July, 1961.
0830

FROM:

Australian High Commission,
KUALA LUMPUR.

224. UNCLASSIFIED.

Malaysia Tunku's statements in Brunei.

The Tunku, who accompanied Paramount Ruler on State visit to Brunei from 1st to 5th July and has remained in Borneo to visit Sarawak, dealt at some length in a Radio Brunei broadcast yesterday with problem of Malayan expatriate officers seconded to Brunei Civil Service. He also spoke of incorporation of Borneo territories as three separate States of the Federation.

2. He appealed to the people of Brunei to change their attitude to Malayan officers who, he said, had been seconded at Sultan of Brunei's request and were not there "to fill key posts as colonialists". He was compelled to consider seriously officers request to return to Malaya since at a meeting with senior Brunei Government officials none could give him a guarantee of their safety. The Federation would however consider continuing to provide key officers until Brunei could obtain replacements.

3. He said "bad elements" were behind feeling in Brunei that Federation Malays were foreigners and colonialists. If Brunei and the other Borneo territories joined the Federation making 14 States in all, Borneo Malays would have same opportunities as Federation and Sultan of Brunei would be eligible to become Yang Di Pertuan Agong. Other races would have same rights as non Malays in the Federation.

4. Earlier reports by "Straits Times" correspondent Challis that local party Rakyat was behind widespread Brunei fears that Malayan seconded officers were in Brunei as part of takeover plan.

5. He reported Tunku as saying to the press that Sultan of Brunei felt Brunei was identified with "other States of the Federation" and that the Brunei Government, if asked, would probably say yes to joining the Federation. However Tunku appreciated that United Kingdom would have the last say on merger.

MIN. & DEPT. E.A.
MIN. & DEPT. DEFENCE
J.I.C.
P.M.'s DEPT.
P.M.'s

6th July, 1961.

SECRET

KH.MC

INWARD CABLEGRAM

L. 16237

Dated: 28th June 1961
1811
Rec'd: 29th June 1961
0830

FROM:

Australian High Commission,
L O N D O N.

3215. SECRET. PRIORITY.

Repeated Savingsgram Kuala Lumpur, Singapore, Djakarta.
From External.

Grand Design.

Ormerod (C.R.O.) told us today Chiefs of Staff have not yet finished their discussions, but Sandys is, nevertheless, carrying brief on issue and is likely to raise with you and in Wellington. To our query, Ormerod said he did not know whether this was to be regarded as the formal consultations with both New Zealanders and ourselves which United Kingdom officials have been foreshadowing for some time now. As he then added that this could be carried out through United Kingdom High Commissioners and approach thereby delayed till Chiefs of Staff had finished, we presume C.R.O. is not thinking of Secretary of State's visit as anything more than initial sounding on this issue. Ormerod, incidentally, was again talking about Malaya "rushing things", the need to go slow for Borneo's sake and so on.

RT. HON. R.G. MENZIES.
HON. A.G. TOWNLEY.
SIR ARTHUR TANGE.
MR. S. LANDAU.
MR. E.J. BUNTING.

29th June, 1961.

SECRET

TOP SECRET 15

DEPARTMENT OF EXTERNAL AFFAIRS COPY NUMBER 19

INWARD CABLEGRAM

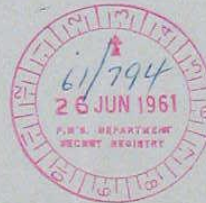
I. 15228.

Dated: 16th June, 1961.
1943.
Rec'd: 17th June, 1961.
0830.

:MP

FROM:

Australian High Commission,
LONDON.



2989. TOP SECRET

Repeated Saving Singapore, Djakarta, Kuala Lumpur,
From External.

GRAND DESIGN.

Detailed report on conversation with Nield today by memorandum but you may be interested in following points:

A. Selkirk, Tory, Governors and White from Brunei are meeting on 26th in Singapore to discuss the question,

B. Selkirk will be in London July 1st to 8th for other reasons but will be discussing the issue here,

C. Chiefs of Staff likely to discuss planners' report on 27th June. According to Nield, Planners for the most part have accepted the Grand Design as politically necessary and desirable. He read us one sentence from report in its present stage which was approximately as follows. "If Singapore and Labuan are denied to us we will have to fall back on alternatives of stationing forces in S.E.A.T.O. countries or considering establishment of base in Australia".

D. Formal approach to you likely to be made soon after: Chiefs of Staff have considered report assuming they agree.

RT. HON. R. G. MENZIES
SENATOR THE HON. S. PALTRIDGE
SIR ARTHUR TANGE
MR. S. LANDAU
MR. E. J. BUNTING

17th June, 1961.

TOP SECRET

TELEGRAM

IN CLEAR

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: 1438 hours, 21st June, 1961

Received: 0800 hours, 22nd June, 1961

PRESSE

TELEGRAM NO. 1649

Addressed United Kingdom High Commissioner Kuala Lumpur

1105 repeated Canberra 1649, Wellington 1184.

My telegram 1089 to Kuala Lumpur

(not repeated to all).

Following is text.

MALAYA, SINGAPORE, SARAWAK, NORTH BORNEO & BRUNEI

Mr. Brockway asked the Prime Minister if he will instruct the Secretaries of State for Commonwealth Relations and the Colonies to seek to arrange joint consultations with the Governments of Malaya, Singapore, Sarawak, North Borneo and Brunei with a view to establishing a Federation of these territories within the Commonwealth. The Prime Minister (Mr. Harold MacMillan): "I have observed with interest the recent constructive suggestion of the Prime Minister of the Federation of Malaya that sooner or later the Federation should have an understanding with us and the peoples of Singapore, North Borneo, Brunei and Sarawak on a plan which would bring these territories into closer political and economic association. Tunku Abdul Rahman's statement is already stimulating discussion in these countries and Her Majesty's Government will wish to take their reactions into account in their own consideration of the suggestion."

Mr. Brockway: "Will the Prime Minister do what he can to encourage this big imaginative idea which has been put forward by the Prime Minister of Malaya and endorsed by the Prime Minister of Singapore and which might be a means of overcoming the difficulties of those two countries as well as of united Brunei with Sarawak and North Borneo?"



TELEGRAM

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS

To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched:

Received:

.2.

The Prime Minister: "Yes, sir, of course these ^{or} territories which as the Honourable Member knows well are in widely different stages of both political and economic development. Therefore there are considerable problems to overcome but I think it is a good thing that these matters should have been ventilated and it is good that each of these territories should have the widest opportunity to consider the proposal."

Mr. Strachey: "While appreciating the Prime Minister's point that the initiative must be left to the Territories, may I ask whether he would not agree that it is a matter of considerable urgency and that his forthcoming visit to the area in the autumn should be used as an occasion to push this very important matter?"

The Prime Minister: "I think it is a matter primarily for the Territories but we take a great interest in it. We have certain special interests in Singapore and elsewhere. At this very early stage much good has been done by the raising of the matter and by discussion."

Sir J. Barlow: "In view of the importance of the matter would my Right Honourable Friend not agree that it is unwise to push it too quickly? Would he not agree that there are great differences in language, religion and race, and that while eventually this would be a good thing it would be unwise to push it too quickly?"

The Prime Minister: "There are as I have said very widely differing stages of political and economic development and obviously there are great problems in going too rapidly to what might not be a successful conclusion of any discussions."

SECRETARY OF STATE.

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

SRG

I. 13991

Dated: 2nd June, 1961
1810

R_c'd: 3rd June, 1961
0830

FROM:

Australian Commission,
SINGAPORE.



224.

CONFIDENTIAL.

Reference my telegram 214 (Tengku's speech)

Lim Yew Hock has welcomed plan but said independence for Singapore is a prerequisite. Comment from the Borneo Territories is generally favourable with emphasis on need for more internal progress and more association among themselves first. Lee Kuan Yew will make statement on the National Day tomorrow. Text will be airmailed general comments by today's bag.

MIN. & DEPT EA
A/MIN DEPT DEFENCE
P.M.'s

3rd June, 1961

Copy K. H.

SECRET

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

Dated: 2nd May, 1961.
1808.
Rec'd: 3rd May, 1961.
0830.

:MP

FROM:

Australian High Commission,
LONDON.

2663. SECRET

Repeated Saving Kuala Lumpur, Singapore, Djakarta.

From External.

MALAYA AND BORNEO.

We are sending by memorandum today's bag details of latest developments in respect of 'grand esign'. Salient point is that action on Cabinet decision (our memorandum 699) was held up on initiative of Secretary for Air and Lord Mountbatten to allow Planning Committee and Chiefs of Staff to make a detailed examination of defence aspects which they considered had not been sufficiently taken into account in Cabinet submission. Nield (Colonial Office) informed us today that Committee has now produced preliminary report which stresses that United Kingdom defence interests in Singapore must be protected, but that given political and other advantages in federation of areas concerned protection should be secured by negotiation of satisfactory defence agreement. We are not aware of details as yet. Chiefs of Staff likely to consider on 13th June.

RT. HON. R. G. MENZIES
SEN. THE HON. S. PALTRIDGE
SIR ARTHUR TANGE
MR. S. LANDAU
MR. E. J. BUNTING

4th June, 1961.

SECRET

74
11
DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

::HP

I.13742

FROM:

Dated: 31st May, 1961.

2103

Rec'd: 1st June, 1961.

0830

Australian Embassy,
DJAKARTA.



328. CONFIDENTIAL.

Your telegram 370.

Local press has not so far carried any reports concerning Tunku's remarks about relations of Federation with the countries mentioned.

Min. & Dept. External Affairs.
A/Min. & Dept. Defence.
J.I.C.
P.M.'s.

1st June, 1961.

Copy R.H.

DEPARTMENT OF EXTERNAL AFFAIRS
INWARD CABLEGRAM

10
SECRET

PH

I.13647

Dated: 30th May, 1961.
1642
Rec'd: 31st May, 1961.
0830

FROM:

Australian Commission,
SINGAPORE.



214 SECRET.

PRIORITY.

Reported Kuala Lumpur Sav. 3, Djakarta Sav. 1,
London Sav. 2.

Reference your telegram 306.

Tunku's speech.

Singapore Government have not yet made statement.
My guess is that they will have to come out in unequivocal
support but I understand that they are uneasy on first reaction
on two counts:

- (i) The rather strong remarks of Tunku on the Chinese.
- (ii) The possibility that merger of Singapore with Federation could be deferred indefinitely under such a plan.

2. Minor parties and English language newspapers
have generally expressed support. Lim Yew Hock has not made
statement.

3. Selkirk has had no reaction from Borneo Territories
yet. He does not expect British Government to say anything
substantive at this stage. He does not want United Kingdom
to appear to be taking lead or infringing self-determination.

4. Today's free press summarised "Sydney Morning Herald"
and "Suluh Indonesia" under heading "Sydney Hails Tunku Union
Speech, Djakarta Angry".

Joekel.

MIN & DEPT. E.A.
A/ MIN & DEPT. DEFENCE
P.M.'S

31st May, 1961.

SECRET

coment

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

:HP

FROM:

Australian Commission,
SINGAPORE.

Dated: 29th May, 1961.
1635
Rec'd: 29th May, 1961.
2020

209. UNCLASSIFIED.

Text of speech by Malayan Prime Minister, on 27th
May forwarded by airmail.



Min. & Dept. External Affairs.
P.M.'s.

30th May, 1961.

Mr. Bunting

Would you like me to
ask E.A. for a copy?

JL 30/5.

Not for me but
ask the Head

has received
the executive
press on "Grand
Deception" from the
UK. J.
A.H. 31/

ceh:KH

RESTRICTED

I. 13513

FROM:

Rec'd: 30th May, 1961
0822

196. RESTRICTED.

Party spokesmen declined detailed comment pending clarification of proposals. Press reports suggest initial reaction of major political parties favourable in principle to eventual association but that opinion divided on means. Alternatives envisaged are:-

- (a) integration of Singapore and three North Borneo territories as four new states of Federation of Malaya.
- (b) three-unit confederation of Malayan States comprising Federation of Malaya, North Borneo (including Brunei) and Singapore.

30th May, 1961

RESTRICTED

POL.29/6

IN CLEAR

TELEGRAM

From: THE SECRETARY OF STATE FOR COMMONWEALTH RELATIONS
To: THE HIGH COMMISSIONER FOR THE UNITED KINGDOM, CANBERRA

Despatched: 11.58 hours, 29th May, 1961.

Received: 08.15 hours, 30th May, 1961.

PRESSE

TELEGRAM NO. 1417

United Kingdom High Commissioners Canberra 1417, Wellington 977
repeated United Kingdom High Commissioner Kuala Lumpur 148 Saving
and Commissioner ~~Canberra~~ Singapore.

Kuala Lumpur telegram 382.

Following is text of statement made by Tunku as released
to Press.

BEGINS.

"Malaya today as a Nation realises that she cannot stand
alone and in isolation. Outside of International politics the
National one must be broad based. Sooner or later she should
have an understanding with Britain and the peoples of the terri-
tories of Singapore, Borneo, Brunei and Sarawak. It is premature
for me to say now how this closer understanding can be brought
about but it is inevitable that we should look ahead to this
objective and think of a plan whereby these territories can be
brought closer together in a political and economic co-operation."

ENDS.

ACTING SECRETARY OF STATE

W. B. G.

*Mr. B. G. G. to see
EJB*

DEPARTMENT OF EXTERNAL AFFAIRS
OUTWARD CABLEGRAM **CONFIDENTIAL**

O. 8412.

BW:MP

Sent ; 29th May, 1961.
1240.

TO:

Australian High Commission,
KUALA LUMPUR.....263.

Australian Embassy,
DJAKARTA.....370.

Australian Commission,
SINGAPORE.....306.



CONFIDENTIAL IMMEDIATE

Today's press reports Tunku said Federation sooner or later should "have an understanding with Britain, Singapore, Brunei, Sarawak and North Borneo" and urged finding a plan for "political and economic co-operation".

2. Glad initial comments on local reactions by telegram.

MIN.&DEPT. E.A.(3027/1/2/3)
MIN.&DEPT. DEFENCE
J.I.C.
P.M.'s

(Cost - £18.15.0.)

31st May, 1961.

Copy R.H.



SECRET

POL.29/6



Dear Mr Bunting,

You may have been forewarned by the Australian High Commissioner in Kuala Lumpur of the Malayan Prime Minister's intention to include a passage in his speech to the Press Club in Singapore on 27th May about closer association between Malaya, Singapore, North Borneo, Sarawak and Brunei, an idea which has come to be referred to as "the Grand Design". The British High Commissioner in Malaya was told by the Tunku on 26th May that he intended to make the following points:-

Malaya could not stand alone. Sooner or later she must have an understanding with the Territories of Singapore, North Borneo, Brunei and Sarawak. It was premature at this stage to say how this could be brought about but Malaya had got to plan ahead now with this as her objective.

2. As your Government has been informally told, suggestions for a closer association between Malaya, Singapore, North Borneo, Sarawak and Brunei have been in the air for some time; but hitherto the attitude of the Government of the Federation of Malaya and particularly of the Tunku appeared adverse. The Singapore Prime Minister Mr. Lee Kuan Yew has several times visited Kuala Lumpur recently to press the Grand Design upon the Tunku, having regard particularly to his need to offer some evidence of constitutional advance before the Spring of 1963 when the Singapore Constitution is due for review. Mr. Lee had formed the conclusion (we believe correctly) that Tun Razak was already convinced of the desirability of the scheme.

3. In discussion with Sir Geofroy Tory ~~that~~ the Tunku said that he had hitherto argued that the Federation's interest would be better served by

Copy Defence (London)
4/8-6-61

E.J. Bunting, Esq., C.E.E.,
Prime Minister's Department,
CANBERRA.

To the Prime Minister

SECRET

EJB 27/6

/keeping

W. B. B. 27/6

EST 27/6

P/A

keeping Singapore independent of it and that it would be easy for the Federation to insulate herself from the effects of any political deterioration there by physical means, e.g. by closing the Causeway, or by relying on friendly Western Powers. He had now, however, come to realise that this would be only a short term solution at best and that it was in Malaya's interests to find some means of absorbing Singapore safely and constructively. The Grand Design offered the only means of doing this.

4. The Tunku made it clear that he was thinking of Brunei, Sarawak and North Borneo being absorbed into the Federation of Malaya as integral States with Singapore alone enjoying substantial self government. Sir Geoffrey Tory said that the present tendency was for North Borneo and Sarawak to draw together and that he thought it likely they would have to be offered a considerable measure of self government also, if association were to be made attractive to them. The Tunku said, however, that these were all matters that could be thrashed out. He expected when the time was ripe to go to London to enter into negotiations.

5. Sir Geoffrey Tory suggested that there might be some danger of an adverse reaction in North Borneo and Sarawak (or even in Brunei) where public opinion still needed to be conditioned if the Tunku went ahead with his intention to refer publicly to the Grand Design. The Tunku, however, was disposed to feel that the important thing was for someone to give a lead, and as you will have seen from the press he has now spoken on the lines indicated in paragraph 1.

6. The United Kingdom authorities have for some time been considering whether such closer association should be regarded as the aim of their future policy. An examination of the implications of such a policy is in train with a view to consulting both the Australian Government and the New Zealand Government. This examination is not yet complete and United Kingdom Ministers have not yet decided their policy on the matter. The Tunku's initiative, however, is a new factor and seems to be a most welcome development. It is intended to communicate with your Government again as soon as possible.

7. Meanwhile, if the United Kingdom authorities are questioned about the Tunku's statement, they propose to take the line that it is an interesting and
/constructive

SECRET

E. R.

SECRET

- 3 -

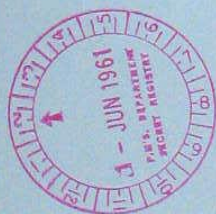
constructive idea which they will be glad to consider.

I am sending a copy of this letter to Sir Arthur Tange.

Yours sincerely,
N.E. Costar

(N.E. COSTAR)

SECRET



CONFIDENTIAL

CLOSER ASSOCIATION OF THE FEDERATION OF MALAYA, SINGAPORE,
BRUNEI, SARAWAK AND BRITISH NORTH BORNEO

6/794

In an address to the Press Club in Singapore on 27th May the Prime Minister of the Federation of Malaya, Tunku Abdul Rahman, referred to the possibility of closer co-operation between the five territories in the following terms -

"Malaya today realises that she cannot stand alone and in isolation. Sooner or later she should have an understanding with Britain and the peoples of the territories of Singapore, Borneo, Brunei and Sarawak. It is premature for me to say now how this closer understanding can be brought about but it is inevitable that we should look ahead to this objective and think of a plan whereby these territories can be brought closer together in political and economic co-operation".

The Tunku's statement on 27th May, which was apparently made on his own initiative, was the first occasion on which the concept of closer association of all five territories has been officially canvassed. The idea has been described by United Kingdom officials as "interesting and constructive". (Since 1958 the United Kingdom government has taken tentative steps to promote closer political and economic association between the three Borneo territories of Sarawak, Brunei and North Borneo).

Since the Federation has until now confined itself to consistent public opposition to any form of merger with Singapore, the Tunku's statement may imply a fundamental change in Federation policy. Malaya now appears to accept that it should adopt a positive and constructive attitude toward the problems of Singapore in order to frustrate, among other things the further expansion of left wing Chinese influence on the island. For some time the Peoples Action Party Government in Singapore, whose policy of merger with the Federation has been presented by the left-wing as unrealistic because of consistent Federation opposition, has been under increasing pressure to work instead for early and full independence.* As an independent Singapore dominated by left-wing Chinese would involve serious security dangers for the Federation the Tunku's statement is, in part, probably intended to weaken the political appeal of the Singapore extremists' stand.

The Prime Minister of Singapore, Lee Kuan Yew, and other Singapore Ministers have publicly welcomed the Tunku's suggestion on the grounds that it should facilitate a merger of the Federation and Singapore. However, they are understood to be concerned, that under the Tunku's plan, which raises many constitutional and practical problems, the merger of Singapore with the Federation could be deferred indefinitely. In such circumstances the Singapore extremists would probably suffer only a temporary check.

Comment from Sarawak and North Borneo political and community leaders, while generally favourable, emphasises the prior need for the territories greater internal development and closer association among themselves. There appears to have been no public comment from the

* Footnote: Under the present Singapore constitution the United Kingdom government retains control of external affairs and defence and is entitled to suspend the constitution in an emergency. In addition the United Kingdom government's interest in Singapore's internal security is recognised through membership of an Internal Security Council, on which the Federation is represented. The present constitution will be reviewed in 1963.

CONFIDENTIAL

CONFIDENTIAL

Sultan of Brunei who, although rejecting closer association with the other Borneo territories, is known to favour closer association with the other Borneo territories, is known to favour closer association between Brunei and the Federation, under which, possibly, Brunei might be incorporated as a new state within the Federation. However, leaders of the Brunei Partai Rakyat (largest Brunei political party) have declared that they are not in favour of Brunei being incorporated within the Federation but prefer a "partnership of equals" without any sacrifice of Brunei independence.

The only public Indonesian comment has come from the Minister of Foreign Affairs, Dr. Subandrio, who said in Singapore on 13th June that Indonesia was not interested in the plan." It is a matter for the countries concerned to decide for themselves," Dr. Subandrio said.

CONFIDENTIAL

4

0.8191

Sent: 25th May, 1961
1110

A circular red ink stamp from the Japanese Secret Registry. The outer ring contains the text "JAPANESE SECRET REGISTRY" in English and its Japanese equivalent. The center of the stamp features the date "31 MAY 1961" and the text "P. O. J. JAPANESE SECRET REGISTRY". A small red arrow points upwards from the bottom center of the stamp.

REPEATED

Australian High Commission,
KUALA LUMPUR...259

SECRET

In anticipation United Kingdom approach to us on its recent decision to work towards eventual federation of Malaya, Singapore and Borneo Territories (London's memorandum of 27th April which was minuted to you refers) we are preparing for Minister comprehensive analysis of implications for Australia. Please forward comments by next bag.

MIN & DEPT E.A. (3027/1/2/3) (Cost £6.10.0.)
P.M.'S. 25th May, 1961

 $\text{C}_2\text{O}_4^{2-}$

DEPARTMENT OF EXTERNAL AFFAIRS.
INWARD SAVINGRAM.

3
SECRET

:::HP

I.18368

FROM:

Dated: 6th August, 1960.

Rec'd: 9th August, 1960.

Australian Commission,
SINGAPORE.

Saving 31. SECRET.

Repeated Kuala Lumpur 31, London/23.

Possibility of Merger of the Federation, Singapore
and Borneo Territories.

The Counsellor of the United Kingdom Commission, More, has told me that he understands that a Colonial Office Committee, which, I gather, is convened from time to time to consider broad questions of colonial policy, will meet within the next week or so "to have a look at" this subject.

2. Moore did not think the Committee would recommend any initiative by the United Kingdom in the direction of merger. I got the impression from Moore that merger was a long way off and that an essential first step would be closer political association between the three Borneo Territories.

.....McNicol.

Min. & Dept. External Affairs.
P.M.'s Dept.
P.M.'s.

9th August, 1960.

SECRET

Secret covers please.

International Relations.
South East Asia.

Malaya / Singapore
Prospects of Merger.

SUGGESTED AMENDMENTS TO DRAFT TELEGRAM FROM P.M. TO EDEN :-

REGISTERED

17 MAY 1967

57/4531

PARAGRAPH 3 -

3. We also believe by reason of the preponderance of Chinese within the Singapore community and the degree of disaffection among them that it would be wise to hasten slowly with a political merger as between the two territories, whilst at the same time recognising Singapore's economic dependence on Malaya. The advantages of a political merger would increase in proportion to an improvement in the internal security position in Singapore. Further, Rahman, who already has his hands full in coping with the problems of assuming power in the Federation, would not be saddled with a serious and perhaps critical political burden in the immediate future.

PARAGRAPH 5(1) -

Deletion of second sentence and substitution of a clause reading -

Without at least a satisfactory economic association with the Federation hand in hand with a stable Government.

PARAGRAPH 5(11)(e) -

Delete from - by which time Malaya.

PARAGRAPH 7 -

7. Moreover, we believe that the advantages inherent in a merger between Singapore and the Federation depend upon the state of internal security in Singapore, and are of the opinion that all methods, unorthodox as well as orthodox, should be used to achieve a sound state of affairs. We hope that you are using all means at your disposal and offer such help as is in our power. Perhaps you might care to advise us in this matter through whichever channel you consider to be most appropriate.

PAGE 3 -

Suggest opening of para.9 should be amended as follows :-

9. It is generally believed by many responsible people that the brightest future for the Malayan Peninsula would lie in a Union or Federation of Malaya and Singapore. Marshall agrees with this. Rahman does not argue against it in principle, although

Suggest a new sub-para. (d) to 7 as follows :-

- (d) The Communists have been making rapid progress both in penetrating and seizing control in the Trade Union field and among the students attending Chinese schools, who will be a critical influence among the younger generation of voters in future.

PAGE 4 -

Suggest amending paragraph 10 to read as follows :-

10. By reason of the preponderance of Chinese within the Singapore community and the degree of disaffection among them, it is considered it would be wise to hasten slowly with the political merger as between the two territories. The advantages of a political merger would increase in proportion to an improvement in the internal security position. Further Rahman, who already has his hands full in coping with the problems of assuming power in the Federation, would not be saddled with a serious and perhaps critical burden in the immediate future.

PAGE 6 -

Suggest amending para.15 as follows :-

..... its policy. It should be made clear to Marshall that, while the U.K. is not averse to the principle of self-government for Singapore, the island faces serious internal security problems which, unless positive steps are taken to combat, could not only lead to its falling under Communist Chinese control, but could prejudice Malaya's future in the event of an early merger. The United Kingdom should meanwhile:

PAGE 7 -

Para. 15 sub-para.(v) - as is but suggest deletion of the remainder of sentence starting with - by which time Malaya.

MR. BUNTING



SECRET

CABINET SECRETARIAT

REGISTERED

3 JUN 1956

AUSTRALIAN COMMISSIONER'S OFFICE,
SINGAPORE.

In reply quote No.

Memo No. 1098

FILE NO.

622/1/13

26th May, 1956.

The Secretary,
Department of External Affairs,
CANBERRA.

Visit of Secretary, Prime Minister's
Department to Singapore

Prospects for a Merger between the Federation of
Malaya and Singapore

Following a discussion on the United Kingdom Defence Agreement with the Federation of Malaya, the Commissioner-General outlined his present thinking on the problem of a merger between the Federation of Malaya and Singapore.

2. Sir Robert Scott said that the negotiations in London on the Singapore constitutional problem had not in his view brought a merger any closer. Pressure could not be put on the Tunku at the present time. He was working very hard indeed and was finding the burden of office greater than he had expected. He himself had been stressing to the Tunku the importance of his role and had been urging him to see it through. However, it was natural that the Tunku should want to be certain that Malayan independence was working before tackling the problem of Singapore. However, the Tunku's offer to accept Singapore as a twelfth state in the Federation still stood.

3. The difficulty was that Marshall was not prepared to accept the Tunku's terms. He had had a conversation with Marshall before he left for London during which Marshall had said it was out of the question for Singapore to accept the status envisaged by the Tunku. He had pointed out to Marshall that the People's Action Party was prepared to accept such terms. He had pointed out that the People's Action Party was not concerned about the number of seats it would secure in a united legislature. They would be quite content with a couple of seats provided they had facilities to organise and operate throughout the Federation.

4. I said that Australian policy was to work towards a merger and to avoid steps which would make an ultimate merger more difficult. It was, however, a worrying thought that the People's Action Party was advocating a merger. I asked what the Commissioner-General thought would happen in practice if Singapore were attached to the Federation.

5. Sir Robert Scott said his idea was that there should be a bi-cameral legislature in which the States of a United Federation would be equally represented with an assembly reflecting population. There would be a division of authority between the Federation and the States somewhat along the Australian pattern.

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...2.

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6. Sir Allen Brown said that as he saw it, the question was whether attachment of Singapore to the Federation would help to maintain stability in Singapore or whether it would only disrupt the Federation. He took it that Sir Robert Scott's view was that on balance it would help the Singapore situation.

7. Sir Robert Scott confirmed that this was his judgment although there were risks. If, of course, it became clear that a merger could not be achieved, then we would have to fall back on some other plan. He had even been considering the possibility of spreading responsibility for Singapore. He did not have in mind internationalisation, and trusteeship was perhaps a concept to be avoided. Possibly, however, the Commonwealth could be associated with the future of Singapore to make clear that it was not purely a United Kingdom interest. He had not yet thought through this proposal to any extent but he thought it was the sort of thing which might be worth bringing up during the Prime Ministers' Conference.

(SGD.) RALPH HARRY

(R. L. Harry)
Commissioner

Copy to Mr. Bunting
" to Mr. Critchley
" to Sir Allen Brown